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Daily Report

East Europe

FBIS-EEU-94-178
Wednesday
14 September 1994

Daily Report
East Europe

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An Ω indicates a Foreign Media Note.

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Contact Group for Bosnia Meets in Geneva 13 Sep

LD1309204594 Belgrade TANJUG in English 2023 GMT 13 Sep 94

[Text] Geneva, Sept. 13 (TANJUG)—"Contact Group" for Bosnia met Tuesday afternoon, but the result of the meeting was expected Wednesday morning, said U.N. spokesperson Therese Gastaut.

Co-chairman of the international conference on former Yugoslavia David Owen is to inform the press about the details on Wednesday morning.

Harmonizing of stands continued Tuesday night on the make-up of the civilian, humanitarian mission of the conference to be sent to the border-crossings between Yugoslavia and the Bosnian Serb republic.

Owen told reporters Tuesday the civilian mission made up of humanitarian workers would only have the right to verify food and medication transports bound for the Bosnian Serb republic. It would be very unjust to deprive the Serbs in Bosnia of food and medication, said Owen.

He pointed out the significant role of Serbian President Slobodan Milosevic in creation of a favorable climate and conditions for a peaceful settlement in Bosnia and added that the Bosnian Serb government would be well-advised to follow suit.

The Yugoslav Government severed on August 4 the political and economic relations with the Bosnian Serbs after the Bosnian Serb national assembly turned a deaf ear on Yugoslav government's, Milosevic's and Serbian government's requests to accept the map as proposed by the Contact Group.

Observers for FRY/B-H Border

AU1309154494 Paris AFP in English 1535 GMT 13 Sep 94

[Text] Geneva, Sept 13 (AFP)—The five powers in the international Contact Group on Bosnia decided Tuesday [13 September] to deploy a group of civilian observers along the border between Serbia and Bosnia to monitor sanctions against the Bosnian Serbs, diplomats said.

Belgrade's decision to allow the deployment of between 60 and 150 men on its borders, for a date not yet established, is expected to be rewarded by the lightening of sanctions against it and coincides with the strengthening of sanctions against the Bosnian Serbs.

The UN Security Council is due to discuss two resolutions on the sanctions in the next few days.

The first resolution would allow the resumption of air services to Belgrade and authorise cultural and sporting exchanges. The second resolution would forbid Bosnian Serbs from travelling abroad.

The observers would have to make sure that Bosnian Serbs receive only urgent humanitarian aid.

Officials from the Contact Group, comprised of Britain, France, Germany, Russia and the United States, will shortly meet the European Union's special envoy on the former Yugoslavia, David Owen, and the Swedish official Bo Pellnas who will head the observer corps.

'Deep Indignation' Expressed Over Greek Actions

AU1309193794 Tirana TVSH Television Network in Albanian 1800 GMT 12 Sep 94

[Statement issued by the Government of the Republic of Albania]

[Text] The Government of the Republic of Albania expresses its deep indignation over the Papandreou government's veto to freeze the European Union's [EU] aid for the balance of payments in Albania at the 10-11 September meeting of EU foreign ministers.

The Albanian Government declares that after the armament of minorities and mass deportations of Albanian emigrants from Greece, this is another hostile act of the Greek Government against Albania. With this act, the Greek Government erects a wall on the southern border with Albania and the European Union and aims to make it difficult to establish a law-governed state and market economy, as well as to destabilize Albania and the southern Balkans.

The Albanian Government declares that it is determined to make all efforts to overcome all consequences deriving from this wall by strengthening bilateral cooperation with all other EU countries, the United States, and friendly countries all over the world. The government also expects these countries to condemn the Greek policy of blockades and increase their solidarity, cooperation, and assistance toward Albania.

The Albanian Government stresses once again that the hullabaloo of the Greek Government regarding the open and independent trial of five Albanian nationals of Greek origin is only a failed attempt to hide the subversive and criminal activity of the Greek secret police against Albania.

The Albanian Government asks the governments of the countries that are permanent members to the UN Security Council, the United Nations, as well as the EU and NATO members countries and the governments of other friendly countries to condemn the grave crime committed by Greek secret police—delivering 2,297 firearms into minority villages in the districts of Gjirokaster, Sarande, Delvine, south of Albania. The game with arms is a dangerous one. However, in the Balkans it is a playing with fire, and we think that it should be condemned by all countries, first by the United States and other great powers, simply for the main responsibility that these countries have in preserving peace and stability.

The Albanian Government stresses that if this activity, which is incompatible with every international act and agreement, fails to be condemned, this can be a real encouragement for the Greek dangerous policy and have very grave consequences for the whole region.

Regarding the Greek thesis that Albania is destroying the minority community, we have this answer for the Papandreou government: The Greek Government should not manipulate with the minority community. It should leave them at peace to build up their future. The minority community is an inseparable part of the Albanian people and Albania. Yesterday, the minority people lived under occupation, now they are free. Those who arm minority people with firearms and call for armed insurrection through leaflets and radio stations are those who want to destroy them.

On the other hand, the Government of the Republic of Albania declares with full responsibility that neither Greece's hostile policy nor any other factor can shake our determination to guarantee and fully respect all the rights and freedoms pertaining to the minority in accordance with the Albanian Human Rights Charter and Helsinki acts.

Consulate Issues Visas Only to Ethnic Greeks

AU1309204794 Tirana TVSH Television Network in Albanian 1800 GMT 13 Sep 94

[Text] After provoking tension and gatherings of people yesterday, today the Greek Consulate in Gjirokaster has been issuing visas according to Athens' orders, which runs directly contrary to all regulations. The consulate has only been issuing visas for citizens of Greek origin, thus discriminating against other people. There were even cases when they differentiated between a husband and his wife of a different nationality. For this, the consulate is said to have received orders from Athens.

The Albanian Foreign Ministry and other Albanian institutions should take a stand against these acts, which blatantly violate Albanian and international legislation.

Shkodra Mufti Views Religious Revival

AU1209081794 Tirana ORA E SHQIPERISE in Albanian 26 Aug p 2

[Interview with Faik Hoxha, head of the Shkodra Muftihood, by Agron Gjekmarkaj; place and date not given: "Conversation With the Head of the Muftihood of Shkodra, Mr. Faik Hoxha]

[Text] [Gjekmarkaj] What is your opinion of Shkodra's spiritual revival?

[Hoxha] After 50 years of suffering and a 30-year ban on religious practices under communist dictatorship, democracy came at length for the Shkodra people. The Albanian people of both religions, the Shkodra people in particular, were the first to oppose the dictatorship and reopen churches and mosques. Muslim believers attended the ceremonies of reopening churches, and vice versa, the catholic believers took part in the reopening of mosques.

[Gjekmarkaj] Do you cooperate with other religious communities and how do you assess the coexistence with them?

[Hoxha] Cooperation between the three communities is very successful. We maintain continued contacts, paying visits to one another at holiday periods and whenever we have any problem concerning all parties we gather and discuss them. Shkodra has always been a model of a fraternal coexistence between believers of different persuasions. This atmosphere will continue to prevail in the future too, we believe.

[Gjekmarkaj] What would you say about those who are trying to create conflicts among believers of various religions?

[Hoxha] Those who want to spark off conflicts among believers of different religious communities are not genuine Albanians, but Albanians who have sold out to foreigners, and this does not serve the interests of the Albanian nation or the interests of the believers of any religion. This only serves our chauvinistic neighbors, who are interested in seeing Albania rent by conflict, which could enable them to realize their diabolic aims at our country's great cost.

[Gjekmarkaj] What are the Albanian clergy's conditions like after the persecution they were subjected to during the years of dictatorship?

[Hoxha] As we all know, during the red epoch, religious institutions were closed down and the education of religious personnel was banned. So, the opening of these institutions found the clergy very poor and many of them too old. However, due to the help given to us, we have sent students abroad to study religion and become clerics. We hope that within the short period of two or three years, we shall have the necessary personnel.

[Gjekmarkaj] What would be your message to believers?

[Hoxha] First of all, I call on all believers to follow the path of God, who is one for all religions, and if we always have just relationships with God and the laws established by different religions, we will of course witness prosperity, serenity and fraternity among different religions, and lead our people forward, making them prosper and thrive, as we all desire.

[Gjekmarkaj] Thank you.

Article Outlines Proposed Constitutional Convention

AU0909193494 Tirana ZERI I POPULLIT in Albanian 30 Aug 94 p 1

[Article by Beqir Skreli: "The Decree on the Constitutional Convention Smells of Tribalism, Cynicism, and Hypocrisy"]

[Text] We had heard that one could perform whatever experiments one likes upon this people. We had heard of it, but we had not believed it and we do not believe it. However, there are people who believe it, the first among them being President Sali Berisha.

A couple of days ago, he announced his idea of a Constitutional Convention which could be created by his decree in order to approve the constitution. Anyone who is even a little familiar with the problem of approving the constitution in Albania can see at once that this decree is an expression of an unprecedented arrogance and tribalism; it is an extreme cynicism and stale hypocrisy.

It is unprecedented arrogance and tribalism, because only people of such psychology could venture openly to trample upon the Constitutional Framework approved before 22 March [1992]. This approved framework entrusts the parliament with the important attribute of approving the Constitution of Albania. This has been already sanctioned, and it is known by everybody. Berisha also knows it, Selami [chairman of the Democratic Party] too, and Zef Brozi [chairman of the Supreme Court] as well.

To break this fundamental law means to be inspired by the psychology of an absolute monarch, and turn hundreds of years back to the practice: "I am the state."

The president's thesis of creating the Convention by decree is an open cynicism because it was this president, and the party which continues to call itself a democratic party, who before coming to power praised "democracy" as a goddess, whereas now it is they who are mocking at it.

It is a mere hypocrisy because the president of the republic and his mouthpieces argue that their greatest concern is allegedly the quickest approval of the constitution. The people have had a lot of time to be convinced about how much they care about this constitution.

The constitution ought to have been approved a long, long time ago. Albania should have been admitted into the Council of Europe. However, this was boycotted by the Democratic Party [PD], because in essence this party is not for democracy, but for dictatorship, not for the juridical state but for the arbitrariness of the caste in power.

The PD deferred the approval of the constitution, dragging it out to the extreme. Now the people are asking for it, Europe is asking for it. The PD is in trouble. In the present parliament, which has all the legal competences to approve the constitution, the PD can not approve it on its own whims. Berisha cannot keep the two-thirds of the deputies within his fold any more; his fence has broken down. In its struggle for power, [word indistnct] to rule Albania, the PD little by little has waned. Everybody knows this very well; Berisha especially knows this too well.

Here is how the chairman of the Supreme Court expresses himself about the approval of the constitution:

"....There is a great conflict of wishes in the parliament. I am convinced that if we leave the approval of the constitution to the parliament, it either could not be approved—because the consent of two-thirds of the parliament on the majority of the provisions can never be achieved—or the approval of constitution would be below the level required by the time."

A simple two-thirds of the deputies of the actual parliament elected by the people are needed, but the PD cannot achieve this percentage. Thus, the two-thirds must be won over, but this time not through the vote of the people, but through the president's will. This president and his staff, who compile the lists of eligible journalists to attend his news conferences, must of course appoint the eligible persons to take part in the Constitutional Convention.

"There is a great conflict of wishes in the parliament," says Zef Brozi. Fine, then it is the ideal moment to approve the constitution. Let this constitution emerge from the confrontation of these wishes in the parliament. Constitutions are not yokes that the ruling parties can put around the necks of their opponents. Constitutions are social contracts. Let the parliamentary forces make mutual reciprocal concessions to one another, in order to have the constitution which could please everybody.

According to Zef Brozi, "the actual parliament could make only a constitution which will be below the level required by the time." As a consequence a contemporary constitution could be made only when there are no "conflicting wishes," when the people entitled to approve the constitution are mere dumbfounded hens that their owner can lead wherever he wants.

"The parliamentary opposition forces," says Eduard Selami, "are trying to make use of the problem of the constitution for their narrow partisan interests.... They also are trying to gain the authorship of drafting the constitution."

What an infantile logic! The constitution is mine, the constitution is yours, as if constitutions were made by a single party or for a single party! The constitution belongs to Albania. However, Selami and his boss do not worry so much about the authorship of the constitution as about the "copyright" of the constitution.

As far as the constitution is concerned, what the PD is striving for by all means is to be able to have the first and the last word about it. It is the same psychology which led to the incidents in the local elections in Libofshe, and who knows where it will lead in the future.

Nevertheless, I still do not want to believe that the president is serious about this problem. I wish to believe that he cannot allow himself to commit such a grave infringement of the standards of democracy, known and recognized by the whole world. However, my hope is that this decree might be a move by the president seeking to feel the pulse of public opinion.

Otherwise, it would be a real calamity for Albania.

Article on Need for Constitutional Convention

AU0909193794 Tirana RILINDJA DEMOKRATIKE in Albanian 31 Aug 94 p 1

[Article by Valentina Duka and Ferid Duka: "Approval on the Broadcast Possible Basis"]

[Text] The collapse of the communist dictatorship and the victory of democracy in Albania mark the decisive turning point in the current history of the Albanian people. It is an indisputable achievement of the democratic forces, which in a successful confrontation with the conservative communist reaction resolutely and with great devotion are installing the institutions of a juridical state and free market economy in Albania. After 50 years of inhuman transgressions, restrictions, and systematic oppression by the totalitarian regime, the triumph of the individual's freedom was not only proclaimed as the principal goal of the Albanian democratic society, but it was also legally sanctioned in the Charter of Human Rights and Freedoms. The previous political and juridical activity of the Albanian democratic state has created secure premises for drafting a new constitution, in accordance with the standards of modern European legislation. As it has been made known to the public opinion, the draft of the new constitution will soon be presented for approval. Considering the method of approving the constitution not only as a formal juridical act, but also as an important moment of direct consequence for the present and the future of Albanian society, we support the idea according to which the constitution should be discussed and approved by a Constitutional Convention.

Not wishing to bring into question the attributions of the current Albanian Parliament, we must, however, underscore that its mandate turns out to be insuficient to undertake the responsibility of approving the basic law of the state. This function can be played very well by a broader representation of the people, embodied in a Constitional Convention. In this body would be represented not only all segments of Albanian political life, but also the intellectual sphere of the country, the state ruling class at various levels, elected by their respective electorate, and so on. Only in this way would a broad basis for approving the constitution come into existence, and it is quite evident that the broader the approving basis today, the more adequate and solid will be the constitution tomorrow.

Government Denies Zhelev Urged Resignations

AU1309122094 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 13 Sep 94

[Text] In connection with reports that have recently appeared in the press, the Council of Ministers Press Center has been authorized to declare that, as has already been announced, the decision for the cabinet to resign was adopted unanimously by all the ministers who took part in the cabinet's closed session on 2 September. The insinuations that three ministers did not agree with the resignation decision do not correspond to the truth.

The assertion that Minister Khristo Totev did not agree with the decision adopted is an utter lie, as well as the claim that this was the reason for his cool relations with Prime Minister Berov. In fact, at the time of the meeting Minister Totev was on an official trip abroad, but on his return declared his unqualified support for his colleagues' decision. Also completely false is the assertion circulated that the resignation decision was made under presidential pressure. Like every other Bulgarian citizen, Mr. Zhelev heard about the cabinet's resignation at about 1500 hours on 2 September, when it was announced by the mass media, the announcement by the Council of Ministers Press Center states.

Zhelev, BSP Discuss Cabinet Crisis, Elections

AU1309171194 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 13 Sep 94

[Text] President Zhelev on 13 September began political consultations on forming a new cabinet in the parliament by meeting the leadership of the Bulgarian Socialist Party [BSP] parliamentary faction.

Early parliamentary elections are the only radical solution to the situation that has emerged, Nora Ananieva, chairperson of the BSP parliamentary faction, told President Zhelev. The president also shares this opinion.

The socialist deputies declared that their demand to amend the Constitution is not aimed against the president, but strives to preserve parliamentarism during the transition period.

The functions and competence of a caretaker cabinet were also discussed at the meeting, as well as the legislative guarantees of holding free and democratic elections.

The socialist deputies also declared that they will not delay their decision on whether or not they will accept the mandate on forming a new cabinet.

BSP Executives Against Mandate To Form Cabinet

AU1309122194 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 13 Sep 94

[Text] At its session this morning, the Executive Bureau of the Bulgarian Socialist Party [BSP] discussed the results of consultations with other political forces on the issue of forming a new government and the bill on a new electoral law. The bureau reached the conclusion that the only reasonable alternative is to hold early parliamentary elections, which may bring about a change. Of the various alternative proposals for forming a government, the Socialists consider that the most suitable course is to decline if invited to form a government and to refuse to support the mandate of any other parliamentary group, because acceptance would only delay the elections. Of course, this is merely the view held by the BSP Executive Bureau, and it will be submitted for discussion at an extraordinary BSP plenum scheduled to start at 1800 this evening.

SDS Urges Zhelev To Amend Constitution

AU1309171294 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 13 Sep 94

[Text] President Zhelyu Zhelev on 13 September received representatives of the Union of Democratic Forces [SDS] parliamentary faction, who tried to convince the president of the necessity to amend the Constitution with a view to guaranteeing parliamentarism in the country during the preelection period.

According to Stefan Savov, leader of the SDS parliamentary faction, the president would agree to such amendments only if they do not affect the balance between the various state institutions.

The SDS deputies and the president also discussed forming a caretaker cabinet, as well as its functions and competence.

The issue of whether the SDS would accept a mandate to form a cabinet was not discussed at the meeting.

Shortly after the beginning of the meeting, Ivan Kostov, deputy chairman of the SDS parliamentary faction, left the Presidency, saying he had previous commitments.

SDS Faction To Reject Cabinet-Forming Mandate

AU1309183294 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 13 Sep 94

[Text] On 13 September the National Coordinating Council of the Union of Democratic Forces [SDS] unanimously decided that the SDS through its parliamentary faction will reject the mandate on forming a new cabinet within the existing parliament. Thus the opportunity will be created to effect the procedure envisaged by Article 99 of the Bulgarian Constitution.

The SDS parliamentary faction, which was informed by Filip Dimitrov, leader of the SDS National Coordinating Council, on this decision, did not issue a statement at its meeting.

Any activity related to accepting a mandate would be an action that has nothing to do with the SDS, Filip Dimitrov said.

According to Stefan Savov, the SDS parliamentary faction is sufficiently responsible and able to adopt its own decision on the mandate.

The SDS political organ does not see any reason to support the constitutional amendments advocated by the Bulgarian Socialist Party. According to Filip Dimitrov, those amendments would hardly resolve the country's real political problems.

However, according to the SDS parliamentary faction, such amendments are mandatory in order to guarantee the parliamentarism in the preelection period.

Yordanov on Importance of SDS Agreement

AU1309184194 Sofia DEMOKRATSIYA in Bulgarian 8 Sep 94 pp 1-2

[Article by National Assembly Chairman Aleksandur Yordanov: "Having Clear Positions"]

[Text] On 6 September, Unification Day, with my signature under the agreement between the party members of the Union of Democratic Forces [SDS], I clearly expressed the position of the Executive Committee of the Radical Democratic Party [RDP] concerning the unity and understanding within the SDS. This position has always been a basic one for the RDP. It was repeatedly confirmed by the National Party Council, the party's leading organ between congresses.

The political agreement between the SDS member parties is clear and understandable. It confirms the coalition character of the SDS. It also expresses a clear political position supporting early elections and opposing the participation in any form in any cabinet in this parliament, because no one has the right to ignore the will of the voters who do not want and will not accept a "joint" SDS-Bulgarian Socialist Party [BSP] government. The rest consists of important but hardly "dividing" issues—the program and the intentions during the preelection period.

The position of unity and unity of action and for uniting the democratic forces against the growing communist wave and unscrupulous mafia insolence in robbing the state—the position of millions of honest people—has no alternative. For me, as a Bulgarian citizen, this is a position from which I cannot retreat. Naturally, the RDP's supreme organ, the National Party Council, has yet to sign the agreement, but it is logical to assume that this will happen in the near future.

Signing the agreement is an exceptionally important and responsible act. It was not by accident that the yellow and procommunist papers did everything possible to belittle the importance of the document. They spent months trying to convince the people that the SDS must split and even pointed out what parties will leave it. One could only imagine the total amount of author's fees paid for such articles! The same newspapers today are dealing with the issue whether Aleksandur Yordanov made a spelling mistake in signing the document or not. Yes, there is a spelling mistake, and it could also serve as a clear symbol of the importance of not making political mistakes. Spelling mistakes do not matter as long as it is understood that no party can become a "full-fledged member" of a body if a political decision has not been adopted by its leadership. I think the RDP is one of the founders of the SDS. No sensible person can deny the fact that, as an organization, we have participated in many victorious decisions of the SDS. This is all I would like to say on this issue. Now let me clarify other issues:

1. A part cannot be larger that the whole. If the SDS preserves its unity and does not split, then the possibility of winning the elections is a great one.

2. Any split guarantees that we will lose the elections.

3. The parts that split would inevitably attack each other during the election campaign and thus provide the BSP with the opportunity to effect "constructive" actions.

4. Even if we imagine the ideal variant, that representatives of the currently hostile "wings" of the SDS enter the parliament, the logic of politics will compel them to unite in the parliament in order to prevent the BSP from coming to power. If we will have to unite then, what prevents us from doing it today? Probably this only is a result of personal ambitions, political shortsightedness, and refusal to listen to the voice of the people.

5. What is certain is that strengthening the confrontation within the SDS parliamentary faction and between the parliamentary faction and the National Coordination Council, is fatal for the SDS. No one will win; we all will lose. The rallies, curses, shouts, and attacks will not resolve the problems. They will only make us weaker, because fighting the one you have marched together with for years is neither moral nor dignified.

I believe it is not too late and that not everything has been lost. I ask myself why is it that it is always on the eve of elections that confrontations and splits occur in the SDS? Who benefits from this "lethal clutch?"

I am writing all this with pain and alarm. I am writing on the Day of Bulgarian Unification. I am convinced that representatives of democracy who cannot unite for a common democratic action cannot work for Bulgaria's national interest. I say this in a simple and clear manner: The SDS was created and the parties in the SDS developed because of Bulgaria's democracy. Let me say this even more clearly: Bulgaria can exist without us, but we cannot exist without Bulgaria.

Therefore, the narrow party and leadership ambitions, mutual pilfering, and insults must stop once and for all. I propose something clear and simple: Mr. Filip Dimitrov, chairman of the SDS National coordinating

Council, and Mr. Stefan Savov, chairman of the SDS parliamentary faction, must sit together and understand each other, both as Bulgarians and as people who have made an exceptional contribution to Bulgaria's democracy and to the SDS. This nonsense called "suspension" must end, because winter comes in which not the politicians but the people freeze. The influence of the SDS must increase. Woe to us if this does not happen. I will not participate in dirty games and political combinations. I have proven that I can swallow insults and offenses in the name of something greater—the future of democracy in Bulgaria. Today is the time for having clear positions!

Zhelev Holds Talks With Portuguese President

AU1409083694 Sofia Khorizont Radio Network in Bulgarian 0800 GMT 14 Sep 94

[Text] A short while ago at an official ceremony at the Boyana residence, Portuguese President Mario Soares was officially welcomed in Bulgaria. Mr. Soares is paying an official visit to Bulgaria at the invitation of President Zhelyu Zhelev.

At present the two presidents are having a private talk. Afterward, Mario Soares will lay a wreath at the Monument of the Unknown Soldier, and will view St. Aleksandur Nevski Cathedral.

Press, Leaders Consider HZDS-SDL Coalition

AU1409111894

[Editorial Report] Slovak newspapers have recently raised the possibility that the two top-ranking parties in preelection polls, the Movement for a Democratic Slovakia [HZDS] and Common Choice, might form a coalition after the parliamentary election, which, however, would exclude their leaders, Vladimir Meciar and Peter Weiss, in view of their personal animosity. The newspapers also publish Meciar's and Weiss's reactions to the above speculation.

Bratislava NARODNA OBRODA in Slovak on 3 September on page 3 carries a 600-word Jan Fule commentary entitled "Where One's Mind Boggles, the Election Campaign Starts." Speaking about the relationship between Meciar and Weiss, Fule writes that "it is increasingly obvious that the hostility of the leaders of political parties has reached such dimensions, because of their mutual attacks, that they will find it very difficult to reach agreement after the election." He therefore believes that "sooner or later" the "replacement" of the party leaders will become "inevitable." In this context, he notes that "some signals coming from both the HZDS and the Party of the Democratic Left [SDL] indicate that this sort of personification is no longer an unchangeable magic formula for all of the protagonists."

Bratislava PRAVDA in Slovak on 3 September on page 2 carries a 400-word TA SR report on a news conference given by SDL deputies Lubomir Fogas and Robert Fico, entitled "Leaders' Personal Aversion?" The report opens by saying: "According to Deputy Lubomir Fogas (SDL), it seems that the present generation of Slovak politicians, which played an important role in the transformation of society, is losing the ability to communicate. As he said, there exists personal aversion among three or four leaders of political parties. Even though these leaders 'are not able to offer their personal cooperation, they can offer cooperation of their parties. This would be a magnificent gesture that could help pull Slovakia out of political crisis.' Fogas stressed that the SDL would welcome it if some of its present coalition partners received enough votes in the election 'for us to be able to conduct talks with them on a possible broader coalition. We would welcome the formation of a broader coalition, even at the price of top-level politicians being absent from it.' In his conversation with reporters, Lubomir Fogas at the same time rejected the claim that there existed some wings in the SDL, such as a pro-Weiss or a pro-Kanis wing." SDL Deputy Robert Fico, who also attended the briefing, is quoted as having denied the view that Pavel Koncos, Lubomir Fogas, Pavol Kanis, and he, Fico, "represent a group [within the SDL] that is oriented toward the HZDS." According to Fico, "the criteria of the SDL's cooperation with Vladimir Meciar and the HZDS were spelled out on 11 March 1994." As the TA SR reporter adds by way of explanation, at that time SDL Chairman Peter Weiss made an SDL-HZDS coalition conditional on Meciar's resignation and on the Slovak National Party's withdrawal from the government coalition.

Bratislava NARODNA OBRODA in Slovak on 5 September on page 3 carries a 1,000-word Julius Gembicky commentary entitled "Summer Preelection Guide." Gembicky discusses the implications of the last preelection poll, carried out by Slovak Radio, which indicated that only four entities (HZDS, Common Choice, the Christian Democratic Movement, and the Hungarian coalition) might win seats in parliament. As he points out, this election outcome would produce a "postelection stalemate," the only way out of which would be an HZDS-Common Choice alliance. In this context, Gembicky says: "Both in SDL ranks and among HZDS candidates for deputies, there is talk about such an alliance being formed in the interest of the necessary stabilization of the political situation in Slovakia, even at the cost of possible political sacrifices, including even sacrifices at the top. In other words, there is talk about an HZDS-Common Choice coalition without Vladimir Meciar and Peter Weiss."

While Gembicky concedes that "many people cannot imagine the HZDS without Vladimir Meciar," there supposedly exist "real forces within the strongest entity that would be able to put up resistance to their big leader once he has fulfilled his role of elevator to power." In such a situation, the "sacrifice of Peter Weiss and, possibly, also [SDL Deputy Chairman] Milan Ftacnik would be a natural counterdemand," Gembicky says, and continues "despite resistance to meeting this counterultimatum, because the two SDL leaders are not, and do not feel, as the originators of the tense SDL-HZDS relations, that the soil for this alternative out of necessity and in the name of stabilization of the postelection political situation is becoming increasingly fertile in the SDL. It even has the chance of gaining majority support."

In the commentator's opinion, the readiness to cooperate even at the price of "personnel castlings in the SDL and HZDS leaderships" will be "a test of the decisive Slovak political entities' maturity."

Bratislava NARODNA OBRODA in Slovak on 5 September on page 2 carries a 450-word Julius Gembicky report on a news conference given by HZDS Chairman Vladimir Meciar in a Bratislava restaurant on 4 September. The report includes the following passage: "Replying to a NARODNA OBRODA question concerning a possible postelection stalemate, as suggested by preelection preferences, and the increasingly intensive talk about an HZDS-Common Choice postelection coalition, albeit without Meciar and Weiss, in the interest of political stabilization in Slovakia, Vladimir Meciar said: 'The replacement of Meciar to offset the replacement of Weiss is an inadequate compensation. SDL representatives have never raised a demand of this sort in talks between us—that is, between the SDL and the HZDS.

Quite the contrary, we have received from the SDL, but also from the Christian Democrats, coalition offers even at the price that the two aforesaid entities get rid of their leadership. Should a stalemate situation arise after the election, it will be bad for everyone because, in that case, we would have to go into a new election. The speculation whether to trade Weiss for Meciar comes from the Castle rather than from the SDL,' the HZDS chairman replied."

Bratislava SME in Slovak on 6 September on page 2 carries a 400-word Jana Pankovcinova report entitled "Peter Weiss: In Contrast to the HZDS, the SDL Rejects Populist Policies." Pankovcinova asks SDL Chairman Peter Weiss to respond to Meciar's statements that "the replacement of Meciar to offset the replacement of Weiss is inadequate compensation" and that the HZDS received coalition offers from the SDL and the Christian Democratic Movement (KDH) "even at the price of changes in the leadership of these parties."

Weiss's reply reads: "Some journalists and politicians have a tendency to simplify the issue of relations between key political parties and to reduce them to the personal sympathies or antipathy of their leaders. For example, I find Mr. Meciar sympathetic as a witty storyteller and dynamic person. What matters for the SDL's attitude toward the HZDS, however, is the degree of compatibility of basic political aims and of the means used to achieve those aims. We refuse to pursue populist policies, on which the HZDS is banking. The HZDS wants to change the system of parliamentary democracy into a presidential system, for example, which we reject. It wants a law on the protection of the Republic and some kind of new Slovak Press and Information Office, while we want neither. It is also important how HZDS and SDL policies and their representatives are perceived abroad. The HZDS has no foreign partners, the SDL has them in the parties of the Socialist International. Surely there is no one abroad who would fear that Weiss is longing for authoritative methods of government. Therefore, I, too, think that trading in Weiss for Meciar is not adequate compensation."

The SME report also notes that KDH Deputy Chairman Frantisek Miklosko "categorically" rejected Meciar's claim about the KDH's offer of postelection cooperation with the HZDS without KDH leaders. Miklosko asserts that the "KDH did not negotiate with the HZDS, did not advance any offers to it, and does not contemplate any changes in its leadership."

Carnogursky Viewed as Christian Democratic Leader

94CH0408A Bratislava SLOVAK MIRROR in English Jul 94 pp 1-2

[Article by Allen Weeks: "Jan Carnogursky: A View From the Right"]

[Text] The room that the Christian Democratic Movement meets in looks like a Protestant church. At the front is a podium. The Slovak cross is on one side of the stage. On the other side of the stage is the party symbol, a capital letter "D" with a horizontal line through it that forms a cross.

The tables and chairs are arranged in such a way that they could be pews. Circling above is a balcony, and three chandeliers. Gray-haired men in suits and sandals sit in the back, commenting on each journalist's question, shaking their heads in agreement or disagreement.

At the front of the room is the Chairman of the Christian Democratic Movement (KDH), Jan Carnogursky. He is a balding man, with glasses and a gray suit.

As the leader of Slovakia's only true right-of-center party, he is trying to build a following based on principles not exactly popular in most of Slovakia today. The Christian Democratic Movement is, unlike most parties in Slovakia, an economically liberal party.

Carnogursky says that reforming Slovakia's economy is the best and fastest way to rebuild the society. He is a strong advocate of Slovakia's coupon privatization process. "For forty years Communists took property away from people, even though it said the property belonged to the people," he says. "Ironically, the best way to put property back into people's hands is through coupon privatization." Right now Carnogursky is looking to build on the five per cent of seats his party now holds in Parliament. "I'd like to see that number rise to about seven per cent after the September elections," Carnogursky says, "and for that reason we're trying to make KDH more accessible to more people."

The Christian Democrats suffer from an image problem. Although the party has enjoyed great success in making contacts abroad, and is part of the European Democratic Union, and even has ties as far away as England's Conservative Party, they are still struggling at home. The religious overtones of the party, as well as some political stances such as a strict anti-abortion stand, tend to turn off many young people and others who do not have a strong religious background.

Earlier this year Carnogursky tried to have a bill passed in Parliament that would have allowed other conservative parties, that could not garner the minimum number of votes to be in Parliament, to run on KDH's ticket. "We wanted to open up and allow some other parties that think like us to have a say," he said. In the end the measure was defeated.

Despite some setbacks, and the relatively small numbers in Parliament, Carnogursky says his party is strong. "Only one other party in Slovakia is as well organized and well connected on an international level as KDH, and that's SDL (Party of the Democratic Left), or the former Communists," he says. "Our party has a strong core and a long term view towards the future."

For now however the future has a set date: September 31 [as published] and October 1. Those are the dates of

Slovakia's next election. As the Slovak Premier under the old Federal Republic, Carnogursky has taken a lot of criticism from another former Prime Minister, Vladimir Meciar, for "giving the country" to the Czechs. Meciar and his Movement for a Democratic Slovakia say Carnogursky was too easy in some of his Slovakia's negotiations with the Czechs, especially regarding property settlements between the two countries.

Minister on Finance Ministry-NBS Tension

AU1309134894 Prague HOSPODARSKE NOVINY in Czech 7 Sep 94 p 4

[Interview with Finance Minister Rudolf Filkus by Oldrich Zabojnik; place and date not given: "The Finance Ministry Is Asking the National Bank of Slovakia To Surrender 10 Billion to the State Budget"]

[Text] [Zabojnik] It is no secret in Bratislava that relations between your ministry and the National Bank of Slovakia [NBS] are tense as a result of different views on the state's internal debt. How do you view this problem?

[Filkus] Our state debt really is high, totaling 67 billion korunas [Sk], which causes no small amount of problems. And interest has to be paid on this debt. We assume that this year we will pay some Sk13 billion in interest to the central bank. We expect that, following our request and demand, the bank will return Sk10.6 billion to the state budget in the form of levies on their profit. Originally, we contemplated a sum of Sk12.6 billion.

[Zabojnik] In other words, you do not deny that, at the very least, there is a hitch somewhere in relations between your department and the NBS?

[Filkus] I do not want to say directly that relations between the central bank and the state budget are tense. The nature of these relations is derived from the unpleasant fact that we spend large sums from the state budget on this debt. Our internal indebtedness is substantially worse than our external liabilities, which are among the lowest of all of the reforming states in the Central European region.

[Zabojnik] Do you see any possibility for the National Property Fund [FNM] to help find a way out of this problem?

[Filkus] At this stage of the transformation process, which is accompanied by a high state debt, the FNM, too, should help. I am thinking of help similar to that opted for in the Czech Republic, where the FNM participated in covering the deficit of the state budget. We, too, are considering help from the FNM. Our idea is that it should cover a part of the deficit as well as development programs.

[Zabojnik] What are your ideas regarding future relations between the budget and the NBS?

[Filkus] Relations between the budget and the NBS are relations that require more than mere tolerance. The central bank's mission is to ensure monetary stability, and no one should interfere with this mission—of course, as long as this has no bearing on the inflationary process, the state budget deficit, and so forth. Respecting the independence of its course of action does not rule out agreement with the NBS, however—for instance, about the immensely high interest it charges on the state debt. In other words, there exists untapped potential regarding cooperation with the central bank.

[Zabojnik] Do you agree with the opinion of some economists who say that the state should not become poorer and poorer, so the National Bank can grow richer and richer?

[Filkus] Naturally, the NBS's care for monetary stability does not rule out its commitment to the prosperity of the state. The NBS must first cover its costs, then its funds, particularly the reserve funds, but the remainder of the profit should be surrendered to the state budget. What it includes among its costs is another matter, but there are other bodies that should subject that to an analysis. But the NBS is facing no such threat at the moment.

Debate Over Revision of Constitution Described

94CH0418A Budapest MAGYARORSZAG in Hungarian 19 Aug 94 p 4

[Unattributed article: "Law and Liberty—On the Way to a New Constitution"]

[Text] Perhaps Matyas Rakosi was the only one who believed that his constitution—framed after a Stalinist pattern in 82 days, and after countless amendments—would somehow survive everything: a dictatorship, a revolution, as well as a system change. Think of the time that passed since 17 August 1949; bygone are ace workers, model farmers, and applauding legions of VIT [World Youth Rally] delegates, together with Comrades Michailov and Hsiao Hua.

And now, 45 years after this event, a 27-member committee of the House of Representatives—to be elected this fall—is going to begin drafting a new basic law, with the effective involvement of experts. It is the goal of the ruling coalition to have Hungary's second written constitution adopted at a popular referendum on 20 August 1995. In any event, they must act hurriedly, because the nation must elect a republic president next August, and it does make a difference whether the election takes place pursuant to the old constitution or the new constitution.... The question of whether this new legal provision must be established at this time is also a topic of debate. And then, other questions pertain: Would it would be preferable to elect a bicameral parliament to replace the present structure of the legislature? Should the authority and responsibility of the prime minister be changed, and should the institution of the president of the republic be strengthened?

It seems that we are looking forward to a difficult year, a period in which conflicting arguments, views, principles, and opinions will clash. In the following articles, Justice Minister Dr. Pal Vastagh, Chief Public Prosecutor Dr. Kalman Gyorgyi, and legal scholar Dr. Andras Sajo express their views regarding issues emerging in conjunction with the revamping of our most important law.

Justice Minister on Preparing New Constitution

94CH0418D Budapest MAGYARORSZAG in Hungarian 19 Aug 94 p 5

[Statement by Justice Minister Pal Vastagh; place and date not given: "We Seriously Intend To Conduct Broadly Based Dialogue"]

[Text] "A significant segment of the public and of people involved with public law believe that a new constitution is needed. The most important argument supportive of a new constitution is that the period of transformation into a constitutional state, and the period of transition, must be brought to a conclusion in Hungary—irreversibly, and once and for all. The fundamental institutions and frameworks have evolved; at the same time, however, inaccuracies, overlaps, and gaps stemming from transitional provisions must be remedied. This can be accomplished within a relatively short period of time in the framework of a constitutional drafting process based on well-planned, well-organized, and scientific preparation. The government program allows an extremely short period of time for framing a constitution, and I, too, have argued about this, but the present task is not to transform a single-party state organization or political structure devoid of a parliamentary democracy, but to establish and to perfect harmony and to balance the already existing institutions of the constitutional state. I would like to stress that the essential elements of the public law system will not change. This is why I am confident that this work can be completed by the established deadline, with well-considered professional preparation, with the emergence of a more unified political will, and with the support of society.

"The interpretation of the appointing power of the president of the republic, as provided for in the present constitution, has been the source of serious, politically charged dispute before. Disturbances also arose regarding other elements of the constitutional structure, such as with respect to the scope and content of two-thirds laws, the place of autonomous local governments within the structure, the paraphrasing of the constitution, the status of the office of the prosecutor under the constitution, rules pertaining to state financial management, the regional breakdown of state administration, the interpretation of rights of a social welfare character, and I could go on and on mentioning missing or superficial provisions, and inaccuracies. This, too, clearly and unequivocally proves that the framing of a new constitution is unavoidable.

"I am not concerned about the new constitution having the stylistic imprint of the coalition, so to speak. A framer of a constitution or a legislator would be foolish if he did not envision things beyond a four-year period. We must write a constitution that, based on mutual interests, secures the advantages of constitutional order to everyone, because as a result of rotation in politics, the opposition could become the ruling party and vice versa. The broadest possible involvement by the professional public could also guarantee that overly politicized goals do not appear in the constitution. Equally, we should not forget that society is going to have an opportunity to familiarize itself with the text of the constitution in detail, because our plans call for an affirmation of the constitution in the framework of a popular referendum. I am not concerned about the possibility that something that represents an exclusive political value of interest expressing the viewpoints of the present coalition would be incorporated in the constitution, because a constitution is good only if one succeeds in building a broad national consensus as a supportive base. I am confident that we are going to be able to accomplish this in the course of 1995.

"Only three weeks have passed since I took office, and therefore we are only in the initial phase of professional preparations. We are in the process of preparing a government proposal establishing the organizational conditions. We are getting in touch with the most important scientific workshops, public officials, and professional social organizations, requesting them to participate in framing the constitution. All this should make it clear that we seriously intend to conduct broad-based dialogue, to utilize the experience gained in the development of modern European states, and to build a political-national consensus.

"In my view, a more accurate definition and clarification of the legislative powers of the government, of the president of the republic, and of the National Assembly will become one of the most important issues. Rules must be established probably before framing a new constitution for the status and the framework of political activities of ministers, and the resultant responsibilities. Similarly, an answer must be found to the question of whether political necessity requires the defining the prime minister's accountability in the form of a constructive no confidence mechanism, or if parliament should have an opportunity to hold ministers independently accountable, but the question is to what extent all this can be reconciled with the need for stable governance.

"I believe that virtually all political parties seated in parliament will be able to rise above their momentary interests, to support this process, and to thereby enable us to meet the deadline next year."

Chief Public Prosecutor Views New Constitution

94CH0418C Budapest MAGYARORSZAG in Hungarian 19 Aug 94 p 5

[Statement by Chief Public Prosecutor Kalman Gyorgyi; place and date not given: "It Will Be Difficult To Meet Next Year's Deadline"]

[Text] "If the MSZP [Hungarian Socialist Party], the party that won the elections, and its partner in coalition, the SZDSZ [Alliance of Free Democrats] decide that a new constitution must be written, it becomes unnecessary to argue about the need for a new constitution, because there is going to be a new constitution. This issue is being resolved on the basis of a political decision, and that decision has already been made. Similarly, a decision has been reached to submit the new constitution to a popular referendum in late 1995. I would mention as a reminder that this is not some new plan. Then Justice Minister Dr. Kalman Kulcsar propounded his concept concerning a new constitution in 1988, and a plan calling for the drafting of a new constitution was also part of the Antall government's national renewal program in 1990.

"The days of constitutions having a character of frameworks or declarations have been transcended. The new constitution must provide standards, its provisions must be expressed in terms so that they can be applied, and it must contain mandatory rules for both the authorities and the citizenry. In many respects, the constitution materializes in the form of transplanting international legal obligations contained in international documents, into domestic law. One must not arbitrarily abridge human and civil rights.... The depth of regulatory provisions characteristic of the present constitution, together with the length of the constitution, appear to be appropriate. Our primary law presently in force is also a modern document and complies with the requirements of European constitutional statehood. I approve of the public law structure contained in the present constitution; at the same time, however, the old constitution needs certain refinements, and must incorporate new editorial and textual changes. The old constitution probably requires supplemental wording with respect to economic and social welfare rights.

"I envision a unicameral National Assembly; I would not make fundamental changes regarding the legal status of the president of the republic, because I approve of the chancellor system, just as I approve of the motion to call for a constructive no-confidence vote, because this contributes to the stability of the government, of the governability of the country. Existing constitutional provisions concerning the Constitutional Court, the State Accounting Office, and the ombudsman appear to be appropriate. This must not be understood to mean that the time has not come to newly draft these provisions. This also has a historical aspect.... Law No. 20 of 1949 is still in effect in Hungary today. This is absurd, even if its contents had been changed in the meantime, because it was written as the constitution of the proletarian dictatorship, of the people's democracy.

"From my point of view, provisions dealing with the administration of justice deserve the most attention. Thus, the independence of judges must be consistently and clearly defined, and the status of the prosecutor's office under the constitution must be unequivocally stated. Both Messrs. Horn and Vastagh have expressed their desire to the government that the Office of the Chief Public Prosecutor take part in framing the new constitution. I, personally, regard participation in the work of the codifying committee of 27 members—as planned—as a professional challenge and a great honor. This work also requires the involvement of professionals, and the professionals of the Office of the Chief Public Prosecutor are prepared to resolve problems as well as to draft text. Just as before, the question of whether the activities of the office of the prosecutor should be overseen by parliament or by the minister of justice once again depends on a political decision. The professional arguments—both pro and con—are known. Equally, it is no secret that the views of the coalition parties differ in this regard, i.e., the six-year debate over the status of the prosecutor's office under the constitution has not been concluded. Another issue with important political implications is the number of justices the Constitutional Court should be composed of. A political agreement is needed in this regard, just as with respect to the question of whether the scope of authority of the Constitutional Court should be narrowed or broadened. Incidentally, I believe that the Constitutional Court will remain in dispute for a while in the framework of

Hungarian public law, even though one has to recognize that the Court has significantly contributed to the present certainty with respect to the meaning of the law by explaining and interpreting the constitution, and the principles expressed in the decisions of the court should be incorporated in the appropriate articles of the new constitution. Many fear that the new constitution will catalyze a new wave of legislation. There is no threat like this in my view, because it is not possible to make major, fundamental changes. Similarly, one need not fear that the present coalition establishes a self-serving constitution, because it endeavors to reach the broadest conceivable coalition; even in the preparatory stages, it involves many people in the process, ranging from opposition representatives to experts. Nevertheless, the broad and multifaceted preparatory work consumes a lot of time, and I believe that due to professional considerations and difficulties in organizing the work, it will not be easy to meet the deadline next year."

Rapid Completion of New Constitution Urged

94CH0418B Budapest MAGYARORSZAG in Hungarian 19 Aug 94 p 4

[Interview with Dr. Andras Sajo, legal scholar and professor at the Central European University and the Eotvos Lorant University of Arts and Sciences, by unidentified corresponsent; place and date not given: "Framing the Constitution Can Be Accomplished Quickly; The Timing Is Appropriate—A Popular Referendum Is Necessary"]

[Text] [MAGYARORSZAG] "What ethical considerations must prevail in a constitution?" we asked legal scholar Dr. Andras Sajo, a professor at the Central European University and at ELTE [Eotvos Lorant University of Arts and Sciences].

[Sajo] A document like this must deal with a given moral issue only if there is full agreement in a given state regarding that issue. Monogamy is such a matter in Hungary. Any other issue subject to debate on moral grounds in a given country must not be dealt with in the constitution of that country.

[MAGYARORSZAG] You advocated a quick framing of the constitution in one of your recent articles. You scheduled the conclusion of detailed parliamentary debate for spring 1995, and the popular referendum on the constitution for early summer 1995. In contrast, the opposition believes that framing the constitution is, by far, not such a quick process.

[Sajo] A constitution can be written in a rather short period of time. Many believe that framing the constitution requires decades of "meditation," whereas, during the past 200 years, as, for example, in 1787, in the Spanish and German constitutions, the still prevailing and most important principles had already been established. Accordingly, no new ideas are needed from a professional point of view. Anyone who denies this is simply not sufficiently familiar with this subject matter. For example, the U.S. Constitution was drafted in those days under substantially more difficult circumstances in the course of about 50 days, so that while drafting the Constitution they also had to invent the concept of constitutionality. The process of developing a new constitution for Hungary has been going on for five years. Professional debates are taking place, some people conveniently forget about these, and the Constitutional Court has designated a direction to be followed. Should the framing of the constitution be dragged out for three to five years, we could find ourselves in a situation in which certain institutions linked to the constitution would, during this period, make short-sighted decisions accommodating the interests of their workers.

[MAGYARORSZAG] You are of the opinion that with the conclusion of the transition, this is the most appropriate moment to frame a constitution. But is this really the most appropriate moment at a time when the political balance between the legislative and the executive powers has tilted?

[Sajo] Nowhere in the world has a constitution ever gained the acceptance of all political parties. But in Hungary, the opposition has a far greater opportunity to cooperate in the framing of the constitution than to justify its simple abstention from this work. This is so because the constitution can be adopted only on the basis of a popular referendum, and such a popular referendum would also be a referendum on the performance of the ruling party. Thus, the opposition parties could mobilize the people when votes are cast, should large-scale conflicts evolve. In other words, reaching a consensus is in everyone's interest.

[MAGYARORSZAG] What happens if the populace rejects the new, proposed constitution in the middle of 1995?

[Sajo] In that case, today's basic law would simply continue to prevail. This would also mean that in August 1995, the president of the republic would once again be elected on the basis of the old constitution.

[MAGYARORSZAG] Not too long ago, the Independent Lawyers Forum issued a statement in support of introducing a bicameral parliamentary system. They did so probably because they envision more safeguards in a bicameral system with respect to laws to be passed. Others, including you, would continue with a unicameral National Assembly.

[Sajo] In principle, either solution could be acceptable, as long as we desire only to reinforce the guarantees in the legislative process. I tend to favor a unicameral system based on practical considerations only.

Foreign Ministry Official Views Personnel Policy

AU1309140394 Budapest NEPSZABADSAG in Hungarian 1 Sep 94 pp 1,6

[Interview with Istvan Szent-Ivanyi, political state secretary at the Foreign Ministry, by Tibor Kis; place and date not given: "Self-Restraint in the Dismissals—Szent-Ivanyi on the Personnel Policy in Foreign Affairs"]

[Text] The Foreign Ministry is currently parting with 85 of its staff. However, the leadership finds the opposition's accusation that the ministry has launched a political purge unfair and untrue. We interviewed Political State Secretary Istvan Szent-Ivanyi, member of the Alliance of Free Democrats [SZDSZ], on the ministry's personnel policy, among other things.

[Kis] The Foreign Ministry is one of the few ministries headed by a political leadership. Have the special channels of interparty coordination been established within the ministry, or is this not really needed?

[Szent-Ivanyi] From the beginning I hoped we would develop a good cooperation with [Foreign Minister] Laszlo Kovacs, and I have not been disappointed. Previously, in the National Assembly Foreign Affairs Committee, I also had correct working relations with Kovacs. Before I accepted this position, we had met a number of times and formed the principles of joint activities and leadership. We have been able to adhere to them; we consult before virtually every important ministry decision, sometimes many times a day. I feel that I play a role in preparing the ministry's decisions. A spirit of cooperation has evolved in the leadership on the really important issues.

[Kis] Can we say that the SZDSZ has particular interests compared with the Hungarian Socialist Party [MSZP] regarding foreign affairs? In a given situation, do you try to assert special party interests in the ministry?

[Szent-Ivanyi] We agree with Kovacs on this issue. We both maintain that this is not the place for special party interests. These interests do exist, however, and they must be represented by the foreign affairs secretariats of the given parties. I and the foreign minister are mainly in favor of a common Hungarian foreign policy that is essentially based on the two parties' coalition agreement.

Obviously, personnel issues are the most delicate point in this respect. In my view, the two coalition partners have shown extreme self-restraint in this area.

[Kis] Does this mean that some kind of "SZDSZ team" will not be formed in the ministry?

[Szent-Ivanyi] I am not intending to set one up. I would like to have talented and well-qualified experts around me. We do not wish to create strongholds of party delegates and of course I would not be happy, either, if the coalition partner had such intentions. Of course, I would not like to give you the wrong impression. I am not saying that no SZDSZ member should be in the ministry. The position of the two coalition parties is different in this respect, anyway. Let us say that due to historical circumstances, hardly any SZDSZ members worked in foreign affairs in the past. At the same time, in the past six years, a foreign policy workshop has evolved in the SZDSZ which received a decidedly positive evaluation from the profession and the press. Some four or five of our foreign affairs experts have now come to work in the ministry.

[Kis] At the same time, all kinds of numbers can be heard in connection with dismissals from the Foreign Ministry. How many people are you actually planning to dismiss?

[Szent-Ivanyi] The lay-offs affect 85 of our colleagues. In the case of most of them, it is simply a matter of having reached retirement age. Very many are valued experts whose work would still be needed. However, the financial situation of the ministry obliges us to suffer these losses. On the other hand, in other cases, the separation is necessary for professional reasons. For example, some people in responsible positions do not have high-level qualifications, although this is a legal requirement for civil servants. Some people worked for us on a so-called transfer basis but we paid their salaries. We will let them go back to their original companies. Finally, there are people among the ones who are leaving against whom serious professional complaints have been raised. Naturally, the separation will be implemented strictly according to the law, with severance pay in certain situations. I use the future tense because these affairs are in the preparatory stage. Therefore, people who are talking about mass dismissals should know that no one has yet been dismissed. Of course, this process is beginning now.

[Kis] In other words, is the political cleanup starting?

[Szent-Ivanyi] When it is a case of 85 people leaving, it would be difficult to claim that this has nothing to do with the notion you mentioned. Yes, it is possible that some of the people to be dismissed are close to the former leadership. However, this is not the reason they will be dismissed. These people will have to leave because, all in all, we will have to part with many of our colleagues.

[Kis] In the new leadership's experience, what characterized the personnel work in foreign affairs in the past four years?

[Szent-Ivanyi] I must admit that we did not gain a good impression of personnel work in the past four years. According to the general impression of people who have now returned here, the level of professional work deteriorated significantly during this time. Due to the fact that, in many cases, reliability aspects were more important than expertise, a lowering of the professional level in the ministry's staff can undoubtedly be seen. In addition, in certain sections of the ministry a political commitment was evident, which is simply undesirable.

[Kis] The same way, the opposition is complaining about the political commitment of the new recruits.

[Szent-Ivanyi] First, very few people are new recruits. Up to now, we have some 15 new people. Personal links might certainly be raised regarding some of them. However, most are immediate colleagues of the minister or myself. Therefore, we are talking about cabinet members. In this case, personal affiliations cannot be objected to. These people can even be seen as political appointees. However, their number is very low and the unquestionable professional criteria were decisive even in their case. I do not know of new recruits whose employment could irritate someone's sense of justice—I mean, anyone who could be said to be professionally unsuitable or who represents a political line that has no place in Hungarian democracy.

[Kis] That being the case, to what do you attribute the opposition's massive criticism of the Foreign Ministry's personnel policy?

[Szent-Ivanyi] We would like the opposition to feel that the new foreign affairs leadership gives preference to elegant and European solutions. A leadership that takes steps when it is necessary—after all, some 23 ambassadors are being replaced. However, where this is not absolutely necessary, this leadership acts generously. The attacks are difficult to understand, especially because we showed considerable self-restraint in the case of all political appointees.

Article Views Romania's Foreign Policy Trend

AU1409062494 Budapest MAGYAR HIRLAP in Hungarian 5 Sep 94 p 8

[Article by Ivan Scipiades: "The Possibilities and Limitations of Romania's Mid-Sized Power Foreign Policy"]

[Text] After the change in the regime, Romania's foreign policy has been characterized by the fact that this country lost the special status it enjoyed as a separate runner during the time of the Warsaw Pact, and Romania has definitely become isolated. So Bucharest's efforts focused on eliminating this isolation and artificially increasing Romania's geopolitical status. Recently, foreign policy and military policy experts in the Hungarian Security Policy and Defense Research Institute analyzed the key issues of Romanian foreign policy. In this article, we sum up the main conclusions that emerged during the debate, without naming the participants.

The Only Revisionist in Europe

The participants came to the conclusion that Romania is striving to achieve the status of a regional mid-sized power. Certain factors are present for achieving such a position, like the size of its territory and its population, as well as the fact that Romania belongs to three regions simultaneously: Central Europe, Eastern Europe, and the Balkans. However, the level of its economic development will hinder the aforementioned endeavor for at least two decades.

According to one expert, two trends clashed in determining Romanian foreign policy after Teodor Melescanu took office. One trend was the attempt to regain Moldova and to achieve regional dominance in the Balkans and isolate from Europe; the other trend was to catch up with Europe, a trend that wants to give a more restricted and more European tone to the efforts to become a Great Romania.

This "more European" trend gained ground with Melescanu's leadership. As a result, Romanian diplomacy is focusing its attention on breaking the isolation and emerging as an equal partner in international forums. This policy regards joining the Euro-Atlantic integration as a strategic goal, and the officials also expect the strengthening of the legitimation of the forces in power from such a policy. The intention to create a Great Romania and to achieve a regional mid-sized power status continues to be present, but it was temporarily put into the second line of Romanian foreign policy efforts.

In connection with this, the experts drew the attention to the fact that Romania is the only country in Europe that brings up border issues by insisting on the issue of Moldova's return (officially: reunification). Thus, revisionism is not "blocked" or politically banned.

The participating experts see a contradiction between the Romanian policy directed at reannexing Modova and Bucharest's demands for a declaration of the inviolability of borders in Romanian-Hungarian relations. Experts do not exclude the possibility that this is also the manifestation of the practicality with which the Romanian policy always concentrates on the topical issue and does not bother that it might later be asked for consistency.

Fear of Hungary's Strengthening

The experts came to the conclusion that Romania sees Hungary as one of the obstacles hindering its foreign policy efforts. One of the reasons for this is that Hungary has drawn the attention of the outside world to the absurdities of Romania's national minority policy; the other reason is Hungary's relative social and economic development that places this country ahead on the road leading to European integration. This causes an inferiority complex in the Romanian leaders, because this questions the Romanian ability to become a mid-sized power.

They are afraid of Hungary's economic growth because they think Transylvania will not be able to withhold the influx of Hungarian capital and, thus, this region could drift away from under Romania's economic control. They are also afraid of Romania's economic split because of the emerging dominance of Turkish and Greek capital in the regions south of the Carpathians.

To slow down these trends a concept is emerging in Romanian economic circles, namely to hinder the appearance of Hungarian enterprises on the Romanian market by means of administrative regulations, and even to hinder their possibility to be present through Western intermediaries.

A European Road Leading Through Hungary?

Analyzing Hungary's policy toward Romania, the experts participating in the aforementioned debate came to the conclusion that the deliberate undermining activity of the Hungarian Democratic Forum government in Hungary also played a role in isolating Romania, an activity directed at hindering Romania's acceptance in the Council of Europe, an activity that led to a boomerang effect, because it caused disapproval in Western Europe.

The experts pointed out that the former Hungarian Government encouraged the radical wing of the Hungarian minorities in Romania to exercise pressure on the leaders in Bucharest to improve interstate relations.

The trend has turned around with the change in the Hungarian Government: Budapest has stopped encouraging the radicals among the Hungarian minority in Romania, and the improvement of interstate relations came to the fore. However, the participants in the debate also think that the Hungarian policy seems to have brought the radicals, led by Laszlo Tokes, back into the picture. The experts think that this is partly due to the fact that tolerating Tokes is not foreign to the official in charge of the national minority policy; on the other hand, contrary to the other neighboring countries, there is no pluralism in the political representation of Hungarians in Romania and, except for the radicals, there is no other partner for Budapest.

The experts dwelled on the question whether it is true that Romania's road to Europe leads through Hungary. There were people who argued that the Romanians themselves said this; others thought that we Hungarians were the ones to put this idea in the Romanians' mouth. Even those who accepted the fact that the Romanians are using this slogan do not really know what the real content of this concept is. As an example, they said that when Hungary sees its road leading to Europe through Austria, that includes the fact that Austria accepted to manage Hungary's integration into Europe, but Hungary did not take it upon itself to play a similar role regarding Romania.

Why the Good Military Friendship?

The experts also analyzed the contradiction inherent in the fact that, while there are problems in the Hungarian-Romanian political relations, military relations are unclouded. The experts came to the conclusion that this result of the Romanian division of labor is a "bluff" because, in Romania, the Ministry of Defense does not interfere in foreign policy, and this is why it "can demonstrate." However, the experts drew attention to the fact that the structure and deployment of the Romanian Armed Forces contradict the amiable relations between the Hungarian and Romanian Armies because, recently for example, they even strengthened the 4th Army in Transylvania. In connection with this, the experts observed that the Romaian-Hungarian border is "impermeable" while the Romanian-Bulgarian one is permeable.

Prospects

Romania realized that the international community is interested in eliminating the points of tension in Central Europe and, therefore, it shows a readiness for compromise in normalizing relations, but it distances itself from any proposals connected with the main cause that leads to confrontation, namely guaranteeing the rights of the Hungarian minority. The experts pointed out that the Hungarian policy almost came to a unanimous conclusion that there is also sense in holding meetings that do not bring results, because they improve the chances of building contacts.

What can we expect in Hungarian-Romanian interstate relations? According to the participants in the debate, the interstate relations might improve, but relations between the Romanian and Hungarian nations will not improve. Results can be achieved on the surface, but a totally different thing remains under the surface.

Goncz on Future Central European Alliances

94BA0400A Ljubljana MLADINA in Slovene 16 Aug 94 pp 12-14

[Interview with President Arpad Goncz by Miha D. Stamcar; place and date not given: "The New Austria-Hungary"]

[Text] *Hungarian President Arpad Goncz spent this year's vacation in Slovenia, together with his Czech counterpart Vaclav Havel. Just like their vacationing, their life stories are also similar, and consequently Goncz says that it is already time to start calling Havel the Czech Goncz, instead of having Goncz better known in world politics as the Hungarian Havel instead of by his surname.*

[Stamcar] In most of the former socialist countries, including Hungary and Slovenia, the leftists, as one might call them, have a majority in parliament again after the last elections. Some people claim that it is a sort of restoration of communism, while others think that these are actually positive changes.

[Goncz] In my opinion, it is a natural way to modernize the state. If you follow events, you will note that in Scandinavia as well modernization was conducted by the same structure as in our case, and it was no different in Spain and Portugal. Economic and social development were balanced. The antagonisms and pressures within society were balanced through a rapid renewal. A lack of equality was demonstrated in the system of values, i.e., social sensitivity and pragmatic politics appeared in society.

[Stamcar] What about the criticisms that the former communists or leftists and liberals, during the period of privatization, are actually fighting for the largest possible share of capital?

[Goncz] No, that is not true in our country; accusations against the socialists were already heard back in 1989, when they surrendered power. In our country, for instance, the extreme leftists and extreme rightists did not even get into parliament, and both received fewer than 1.5 percent of the votes. In any case, the central left smoothly took power, instead of the central right.

[Stamcar] That probably means that the Hungarian voters do not like extremism?

[Goncz] Of course. Extremists exist, but they came to Hungary from outside. The Hungarian National Socialists, for example, came to power during the war solely thanks to the Germans, and the communists were brought by the Russians....

[Stamcar] ...whom you got rid of through some sort of roundtable negotiations.

[Goncz] In 1988, communism was already so morally and economically wasted that it was facing collapse. Because of the experiences from 1956, the reform movement in Hungary appeared earlier than in other East European countries. We prepared roundtables, and members of all the newly established movements and parties that were prepared for changes participated in them; at the same time, that also meant the end of communism.

[Stamcar] Did the authorities of that period also participate in them?

[Goncz] In the first place, the communists and the Hungarian Socialist Workers Party participated in them; second, social bodies participated; and third, the new democratic movements. These were long, arduous, and tough negotiations. We agreed on what the principles of the new constitution and the framework of the democratic system should be like. We have this to thank for the fact that the transfer of power in Hungary proceeded peacefully and without bloodshed. There were no retaliations, and the Hungarian Socialist Workers Party participated quite freely in the elections. The last government, which was headed by Miklos Nemeth, virtually eliminated the one-party system, so everything proceeded without complications.

[Stamcar] In addition to the "smooth" change in the system, Slovenia and Hungary also have something else in common: minorities. Reportedly there are about 15 different nationalities living on Hungary's territory.

[Goncz] I would say that it is not possible to create a homogeneous national state in this region. On one hand, minorities must support the state, and on the other the state has to guarantee them full rights. Peace and the stability of the state depend upon it.

[Stamcar] We are interested primarily in the Hungarian minority in other countries. Hungarians live in Romania, and the Romanians are anything but tolerant toward them, and Hungarian minorities live in Serbia and Croatia, in countries that are at war, and in Slovakia, where it is not known whether there are 300,000 or 600,000 Hungarians. How are you resolving all those different difficulties with those countries?

[Goncz] The Hungarian Government's priority task is to resolve minority issues through international agreements. Those agreements are binding upon all the signatories. We know that it will be a long and difficult process. We are not afraid that minorities might threaten the unity of the state, as some young states fear. I am convinced that every nationality contributes a great deal to the majority culture of the people.

[Stamcar] It is hard for us to imagine such an agreement with Serbia, where a Hungarian minority is living in Vojvodina.

[Goncz] In our relations we are proceeding from the fact that all minorities should receive rights, and I think that this war will settle that issue as well. It is one of the most difficult issues of our time. Russia is also dealing with minority issues now. We can take Southern Tyrolia as an example, where the problems were successfully solved, or Belgium, Spain, and the Swedes in Finland. Minority issues are vitally important to Europe.

[Stamcar] You are giving Southern Tyrolia, Belgium, and Spain as examples. What about Slovenia?

[Goncz] The legal solution to the issue of the Hungarian minority in Slovenia is complete. It is a solution that could become a model. The essential advantage of the Slovene model is that the members of the minority and majority peoples study both languages together in school. The number of Hungarians in Slovenia and of Slovenes in Hungary is another matter. There are extremely few of them, and thus their survival is in jeopardy, since they cannot sustain themselves.

[Stamcar] In your opinion, how large does a minority have to be in order to sustain itself?

[Goncz] It must have approximately half a million members.

[Stamcar] There are many fewer Hungarians in Slovenia.

[Goncz] Yes, but all the nationality statistics are imprecise, and from my experience, one should add 30-50 percent to any figure. There are people who do not dare to acknowledge their nationality because of a fear of losing some rights. We are human beings. Everyone belongs to a people, whose language he is most fluent in. All ethnic communities ought to help each other, for example in university education. If a Hungarian in Slovenia or a Slovene in Hungary graduates from a college, a minority member, of course, the diploma should have equal value in both countries, and that is the only way that the minorities could preserve their ethnic identity. Mutual willingness is necessary for that, however.

[Stamcar] Do you think that the Slovene side is willing to do that?

[Goncz] I don't doubt it. I think that it is also thanks to the president, who is from the Lendava area, where he saw and experienced what it means to be a member of a minority. I think that the issue of the Hungarian minority in Slovenia has been regulated thoroughly and with very good intentions.

[Stamcar] By the way, doesn't your family also come from Slovenia?

[Goncz] Close to Lendava there is the village of Mostje, which is half Hungarian; half the Hungarians are named Goncz, and the other half Gontyer. My wife is named Gontyer and is from Mostje, but my family comes from Cakovec. My great-grandfather was a doctor there, and my grandfather a postal worker, and so at least on my father's side (my mother is from Transylvania), family ties link me to that region, and my wife as well. This afternoon I will visit relatives in Mostje, and tomorrow I am going to Cakovec, where I have not been yet, but I still remember the picture of the city of Zrinski, which hung above my father's bed.

[Stamcar] There is more and more talk about forming some sort of new Central European area, which, according to some information, you discussed with Presidents Havel and Kucan precisely during your vacation in Slovenia.

[Goncz] Of course we did. I am convinced that the future Europe will be a Europe of regions at least as much as a Europe of national minorities. Our region, which includes Austria, Slovenia, Croatia, Hungary, Slovakia, the Czech Republic, and also Poland, is an area of 100 million people, which, of course, is not homogeneous and is also very large culturally.

[Stamcar] Are you talking about a new Austria-Hungary?

[Goncz] For example. The Austro-Hungarian monarchy, in its time, was a beautiful example of regionalism, although of course it cannot be followed today for state and legal reasons. We understand each other, and in our hearts we speak the same language. If I go to Strmol, for example, I can put every piece of furniture in the right place. For Europe, Scandinavia, the Iberian peninsula, and Central Europe will never be the same. The regions have their own special features and interests; we are now in the heart of Europe, somewhere on the semi-margin; we are a bloc of 100 million, a consumer market that sets requirements for quality, but is economically limited. Together we are greater than we are alone, and people have to be made aware of that.

[Stamcar] What do you propose to start with?

[Goncz] We have to start with mutual political support; we have to help each other in joining the European Union. It would be important for us to join the European security system together, and we have to strengthen economic relations as much as possible. During the period of communism there was economic distortion in this region, and so perhaps it cannot be seen clearly enough how we can complement each other, but it is clear that we have to offer Western Europe a market that knows how to pay, and can.

Article Views Chances for Social Compromise

AU1309183894 Budapest NEPSZABADSAG in Hungarian 6 Sep 94 p 12

[Article by Szilvia Hamor: "The Conditions for Social-Economic Agreement—Lajos Hethy on the Chances for Compromise"]

[Text] The Interest Coordination Council will hold a plenary session today. The social partners will first hear the government's proposal on the topics and timing of the talks that will prepare the social and economic agreement. Following this, they will hear a report on the economic situation and the main directions of social policy, and they will also debate the 1994 draft supplementary budget. This article wishes to outline the background of the social and economic agreement.

As for the preparation of the agreement, the social partners are rather dissatisfied with the government's "output" so far. Both the employers and employees sharply criticized the professional level of the supplementary budget and the assessment of the situation which were submitted as a basis for negotiations. Labor Ministry State Secretary Lajos Hethy, one of the government officials responsible for preparing the social and economic agreement, acknowledged some of the criticisms, but he also stated that the government's determination to achieve the agreement cannot be doubted.

Proportion of Income Owners

According to Hethy, there are three conditions for achieving the social and economic agreement. First, the social partners should have an insight into the government's economic program, participate in a certain sense in formulating the economic policy, and they should not have the feeling that the government is trying to present them with a fait accompli. The government should truly see the employers and employees as partners. It can only be achieved through mutual confidence that the interest representation bodies agree on the economic strategy to be pursued and provide the social support that is necessary to implement the program.

The second condition is that the economic program based on the assessment of the situation which is accepted by the social partners should provide a perspective for both the employers and the employees. For the employers, it should improve the enterprises' chances, and it should give hope to the employees that their situation would improve as a result of the series of measures that temporarily reduce their living standards. In addition, they will receive the necessary protection in a critical economic situation, which can include, for example, putting the wage guarantee fund into operation and simplifying the settlement of labor disputes. Establishing the conditions and hope for growth is the key issue of the economic program.

The third condition is that the agreements should reflect some kind of social fairness. This means that the three owners—people on wages, the state budget, and the entrepreneurs—of income should all share the burdens of stabilization. The state tried to reduce its own expenditure already in the 1994 supplementary budget, Hethy reminded, not disputing the fact that the biggest burdens lie on people living on wages and salaries and on the pensioners. In the case of enterprises, capital accumulation is a general interest, therefore, efforts should mainly be made to capture the invisible incomes. Rather than ordinary people performing work for a few hundred forints, the issue here is the black economy amounting to many hundreds of billions of forints which evade taxation.

Wage Freeze, Staff Reduction

Although the room for maneuver is narrow in a bad economic situation, many breaking points and opportunities for action may still exist which—among others—might become crystallized precisely at the talks, as a result of criticisms by the social partners. For example, according to Hethy, the social partners complained about receiving the information in connection with the supplementary budget with much delay, and this information would have been needed to form a responsible view.

Naturally, the government's stance can only be represented at the talks if it has clearly assessed the social consequences and tried to mitigate at least some of the negative effects. Hethy mentioned the wage freeze and staff reductions planned in the budget-financed sphere as examples of assessing the mechanism of effects. In his view, excessive employment does exist in some institutions while others have too few people for their tasks. The financial control staff has to be strengthened to suppress the black economy, while the range of labor affairs services should be expanded to handle unemployment and to keep it at its current level. Therefore, all restrictive measures have to be preceded by an analysis of tasks and functions.

Temporarily, the planned measures will definitely increase unemployment and the problems of people living on wages and salaries. Therefore, the government's employment and wage policy concept and social policy ideas will have to come before the Interest Coordination Council together with the 1995 budget. This is the only way the social partners can assess the total of proposals in context. Hethy expects differences of views to surface but he is convinced that reasonable compromises can be achieved.

The Narrow Path of Talks

In reply to whether an agreement on the budget is possible at all and whether the social partners also need to give their consent to this, Hethy said that two kinds of approaches are possible. One—which has been the practice so far—is that the government agrees with the social partners and then takes the decision to Parliament. It is also possible that this is not done. However, it has to be seen that the economic policy and, within this, the budget fundamentally determine the government's room for maneuver in issues that directly affect labor affairs, in social and employment policy. Therefore, it is extremely difficult to agree on these issues in the Interest Coordination Council if the budget and the economic policy are excluded.

However, the social partners are justifiably discouraged by the single-channel and rigid economic and financial approaches, for example when it is suggested that only one possibility exists and the turnover tax can only be "x" percent because one less would make the country bankrupt. Agreement cannot be achieved if the "only true" solution is drawn up in some workshop and the social partners are expected to sign this without any objections. It is the essence of an agreement that partners with opposing interests come to a compromise.

At the same time, the partners also have to have some understanding, Hethy stated. For example, they have to understand that the government's ideas are a basis for discussions. They express the common will of the ministries, without which it would be very difficult to sit at the negotiating table with the social partners. In his view, a negotiating path can be found and the social partners can be kept on this path without questioning the decision-making sovereignty of the government or Parliament.

Peto: Coalition Not Following SZDSZ Program

AU1309143394 Budapest MAGYAR HIRLAP in Hungarian 3 Sep 94 p 9

[Interview with SZDSZ Chairman Ivan Peto by Dezso Pinter; place and date not given: "Impatience in the Coalition Can Be Dangerous"]

[Excerpts] [Passage omitted] [Pinter] Can it be seen yet how the policies of the Alliance of Free Democrats [SZDSZ] have manifested themselves in the coalition?

[Peto] One of the opposition's accusations against the coalition is that, rather than following the policies of the Hungarian Socialist Party [MSZP], it is implementing the SZDSZ program. This is not true. The coalition agreement and the government program are the basis, and these in turn are based on the two parties' programs. Even in the past, it was clear that the two parties' official, written ideas are very similar, especially on economic issues. At the same time, we have and can have significant differences of views on issues that are not laid down in the agreement, and we will obviously have serious debates. [passage omitted]

[Pinter] The social burdens of the measures that have so far been taken will probably begin to be truly felt in the autumn. Has the SZDSZ made special preparations for the social reactions?

[Peto] The situation has to be revealed honestly and the country has to be prepared for the difficulties. This can only be successful if the government consistently represents its decisions all along. Occasionally, the views of the ministries that create revenue and the ones that spend money will obviously and necessarily be different. The Welfare, Cultural, Defense, and Labor Affairs Ministries look at things from a different angle compared to those who have to produce the money. Debates are natural and necessary before government decisions are made, but once they are made, all government members without exception have to accept them. [passage omitted]

[Pinter] In your view, the support of which social strata or groups will the SZDSZ's participation in government win over for your party?

[Peto] Public opinion polls conducted after the elections show that our support mainly increased among the intellectuals, and it has also increased among young adults. In fact, it is most encouraging that the SZDSZ today has the largest support among people who have just entered adulthood and who will determine the country's future. We are expecting these tendencies to become stronger and, naturally, we will also target other groups. First of all, it would be desirable to increase the SZDSZ's support among the pensioners because many of them chose the MSZP for welfare considerations, while many others chose the conservative parties due to their attitudes connected to their age.

[Pinter] Since the SZDSZ entered the government, have antagonistic feelings of any social strata or group increased against it?

[Peto] I am not aware of any such group. According to the public opinion surveys, the SZDSZ continues to be the least rejected party, and assessments of the party have actually improved in this respect. However, if we take a different approach, we can then find such a group. This consists of people who have an innate prejudice against the SZDSZ. For these people, the MSZP's coming to power was much more acceptable than the SZDSZ entering the government.

[Pinter] Who are these people?

[Peto] This is not a group that can be defined according to the level of education, dwelling place, or even age. However, their views are similar and this is what I can describe. According to them, the SZDSZ's election success is something unexplainable and unnatural. According to their logic and views, the SZDSZ is so alien to Hungarian society and its goals are so disagreeable and impossible to follow that they expected us to have to fight hard to even get into Parliament. These people believe that to discover dark machinations behind the SZDSZ's success because, on the basis of their own views and opinions on Hungarians, they cannot find an explanation to the party's election results. These people discover the SZDSZ's unlimited desire for power in the MSZP-SZDSZ coalition. Almost all right-wing opposition parties have politicians in leading positions who belong to this group that cannot be defined as an organization, but which can be described on the basis of their system of views. This attitude can be well identified in the MAGYAR FORUM, in some articles of the now terminated PESTI HIRLAP, and the PEST MEGYEI HIRLAP and UJ MAGYARORSZAG.

[Pinter] Has the parliamentary opposition parties' strategy for handling the SZDSZ's participation in the coalition been outlined?

[Peto] It will probably only be possible to decide this after some months. It can already now be seen that some opposition politicians have a big inclination to formulate demands regardless of the country's financial possibilities. They discard all measures that mean savings in the budget, be it the cancellation of the world expo or the closing down of government offices, while they say nothing about what they would do to reduce the budget deficit. When we submitted proposals in opposition, we made sure that the budget balance would not deteriorate. We have to be prepared that they intend to give more scope to demagogy in economic and social issues. More than what the previous opposition gave. The efforts to turn the MSZP against the SZDSZ and the way they tried to turn the SZDSZ's membership against its leadership at the time the coalition agreement was made are noteworthy. We do not yet know what the main direction of the opposition's strategy will be—whether the main claim will state that a liberal policy is being implemented with the assistance of the decisive socialist majority or that the communists have returned and that they are continuing where they left off in 1989. These two contradictory arguments can be heard concomitantly at the moment and it is possible that they will accompany the coming years, too. Logic does not always prevail in politics. [passage omitted]

[Pinter] What kind of attitude of the government coalition could be harmful in the coming period?

[Peto] Impatience. It is not enough to recognize an apparently correct political direction; a decision cannot be made until it is adequately prepared from many points of view, including the aspects of social psychology. I have seen some signs of this kind of impatience in the past weeks. It is not at all certain that a rational decision dictated by the situation will meet with understanding in society, in the press, or among a party's membership. It is not only the decisions that can show impatience. If the government or its political leadership show impatience toward the lack of understanding in society, then this can have serious consequences. However, this can and must be avoided.

Police Chief Still Not Named; Conflict Feared

WS1309132294 Warsaw RZECZPOSPOLITA in Polish 13 Sep 94 p 1

[Article by Anna Marszalek: "The SLD Meets Milczanowski; Will There Be a Crisis?"]

[Text] The issue of nominating a police chief commandant may give rise to a coalition crisis between the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL], RZECZPOSPOLITA learned unofficially. On 12 September, Internal Affairs Minister Andrzej Milczanowski met with the highest leadership of the SLD; he also held a separate meeting with Aleksander Kwasniewski. The meetings were held in strictest confidence; however, as we found out, Milczanowski decided to defend Deputy Minister Zimowski, whom Pawlak would like to see gone, and his right to submit a motion to nominate the police chief commandant. He is ready to submit his resignation any moment now because of the fact that he is unable to fulfill his function. The SLD is determined to support Milczanowski.

"The situation has reached a deadlock; the prime minister cannot appoint the new commandant without the minister's motion, and the minister can only submit a motion to appoint him. All of this indicates that the prime minister intends to take over the police for the PSL and will only approve his own candidate. He will reject all of the people proposed by the minister," we were told by one of the deputies of the Sejm Administration and the Internal Affairs Committee. The fact that it is exclusively a game played by the prime minister and the PSL is proved by the following: The SLD supports Minister Milczanowski and the candidacy of Krakow Voivodship Commandant Boguslaw Strzelecki. It is not known what stand will be taken by the Belweder on this issue (the president is coming back from Canada on 13 September). Up to now, the president has supported Strzelecki; however, the prime minister recently proposed Krzysztof Dybiec, former region commandant in the Praga-Polnoc district in Warsaw, who ran in the last election on the ticket of the Nonparty Bloc in Support of Reforms [BBWR]. Strzelecki, approved by Minister Milczanowski and recommended by the internal affairs minister's Political Advisory Committee, is accused by the prime minister of having association with the Freedom Union [UW].

"The pot calls the kettle black," committee member Jacek Merkel (UW) commented on this matter. "Dybiec ran on the BBWR ticket. Does that mean he is an apolitical candidate? The issue cannot be discussed forever. The PSL's bargaining about position is going on at the cost of security."

As we found out unofficially, Minister Milczanowski is going to present the prime minister with a list of other candidates for police chief commandant (except Strzelecki, who indeed asked the minister to exclude him from the personnel considerations), so he will have "the possibility of making a choice," which he is demanding. Apart from Jerzy Stanczyk, who has already been proposed by the minister, Milczanowski is going to put forward one more proposal. The prime minister is insisting on his first candidate—Leszek Lamparski—who, according to him, should once again be examined by the ministerial commission. A few years ago, it pronounced him to be "permanently unfit for service" and granted him the second invalid group.

SLD Leader on Coalition Disputes, Election

WS1309144294 Warsaw RZECZPOSPOLITA in Polish 13 Sep 94 p 3

[Interview with SLD Leader Aleksander Kwasniewski by Ewa Kaszuba; place and date not given: "There Is Not Another PRL"]

[Excerpts] [Kaszuba] [Passage omitted] How is the internal situation within the Democratic Left Alliance [SLD] being affected by the conflicts going on among the party's ministers?

[Kwasniewski] Conflicts in a government are only natural, and it is no wonder the labor minister has a different opinion on social policy than does the finance minister. Polish weaknesses are two entirely different issues—the fact that those conflicts are revealed by the ministers themselves too early, which means that we cannot boast good procedures of reaching agreements or good internal coordination within the government.

[Kaszuba] However, the dispute in the government—unless I lower the pensions, I will maintain higher taxes—is ridiculous.

[Kwasniewski] No, it is not. It is unnatural because it is going on too quickly in the public. Now, from the point of view of the government, it is one of the fundamental dilemmas. Another thing—the decisionmaking process of the Council of Ministers and of the prime minister himself is dictated more by caution than by the desire to take on responsibility. It would be good if conclusions were drawn from this after a year. No wonder there are disputes. However, the fact that they are settled primarily by the mass media and not so much by the prime minister is not normal. Apart from that, each minister has the possibility of behaving reasonably in a situation. He may either decide that others are right and he can accept it, or he can persist with his own point of view and not participate in further work of government. Submitting one's resignation is also natural in such a situation. [passage omitted]

[Kaszuba] However, even if your program were the best program in the world, the prime minister could simply say to you: Easy now.

[Kwasniewski] If he says this, then, in the case of the "Strategy for Poland," there will be no calm. Incidentally, there is no reason that we should have such catastrophic visions. Discussions are going on, and people are trying to reconcile various opinions. The success of "Strategy" will be decided by the political will, which must be expressed clearly. Decisions cannot be put off because lost time blurs the program and, finally, the consequences are seen in its implementation. The discussion stage will be completed any moment now, and draft laws will be submitted in the Sejm. Now, because I know Deputy Prime Minister Kolodko, I realize that he is not a man who, seeing that even though his program has no chance of being implemented, will close his eyes and say: All right.

[Kaszuba] Why do the other SLD members of the government so easily get over the lack of the prime minister's decision? Were they not able to find an effective method of cooperating with him? Or do you, perhaps, want to peacefully wait for the presidential election?

[Kwasniewski] We have a coalition partner that thinks a lot before making a decision. We have no other partner. Everyone who decided to form a government with this partner would have the same problem. [passage omitted]

[Kaszuba] Do you expect that the presidential campaign may be waged with the slogan of a fight against another Polish People's Republic [PRL]?

[Kwasniewski] If this happens, it will be all the worse for Poland. I hope the people will behave more reasonably than politicians and that all those who overuse the arguments about another PRL, about a fight with communists, and about threats to the church will not win these elections. [passage omitted]

[Kaszuba] We will have a constitutional referendum, though. What would its failure or low turnout mean?

[Kwasniewski] A low turnout does not mean anything here. The constitution will have a chance to be adopted by the National Assembly and by a referendum only if it is a result of a broad consensus. Then it is possible that the referendum will not be a political fight but construction of the people's constitutional awareness. If it is a constitution of only two political groupings, I do not know whether it is worthwhile to take part in the referendum. [passage omitted]

Episcopal Secretary on Concordat, Politics

MM1409085194 Opole NOWA TRYBUNA OPOLSKA in Polish 5 Sep 94 p 4

[Interview with Bishop Tadeusz Pieronek, general secretary of the Polish Episcopate, by correspondent Stanislaw Karnacewicz; place and date not given]

[Text] [Karnacewicz] The position of the Conference of the Polish Episcopate on the question of the ratification of the Vatical Concordat was received with approval by such politicians as, among others, Democratic Left Alliance leader Aleksander Kwasniewski, who stated that he "accepted it as a sign of goodwill and an indication that the church hierarchy intends to change the language that certain figures in its top circles have spoken until now." Your Excellency, how do you interpret this kind of statement from politicians?

[Pieronek] I view the way in which our position was received as a positive development because we were primarily interested in opening up certain channels for communication and consultation. Although, for the time being, it remains just a dialogue, I still believe that this is a mark of progress over the past practice, when we had no communication at all. The dialogue method is the only one that opens up opportunities for arriving at joint solutions. If we had not accepted a dialogue, we would have had to resort to using force. And force implies conflict, starting from its most basic expressions such as shaking spears or throwing stones at one another. I believe, as I have emphasized many times in the past, that such solutions are never in anyone's interest.

That is why the church has always been opposed to the so-called class struggle, the reason being that it was by definition a power struggle. And it was the church that taught the dialogue method at that time. If the dialogue was for a while discontinued, that indicated that there was a lack of compliance with the evangelical call meant to bring out the kind of greatness in man that is measured precisely by his humility.

[Karnacewicz] Should we understand your words as implying that there has recently been a lack of intention to conduct the dialogue on the part of both church and state?

[Pieronek] I would be dishonest if I were to accuse just one side of a disinclination to conduct the dialogue while praising the other for wanting to continue it. Both sides declared the will to conduct dialogue, but we found that the attempts to talk together were drowned by the sounds of the ongoing battles....

[Karnacewicz] In Your Excellency's opinion, what is the most obvious current obstacle to building up good state-church relations, and what should be done to overcome that obstacle?

[Pieronek] The biggest stumbling block is, of course, when ideology is brought into the picture—in other words, when each respective side insists on trying to convert the other. One side wants to convert the other to secularism, while the other lot tries to convert the others to Christianity. Of course, we must not willingly renounce that mission. The church is supposed to evangelize the world—that is, convert it. Nor should we be surprised when people who do not believe, or believe differently, want to make others see and accept their own viewpoint. Nevertheless, it seems to me that today the tactic of open and aggressive proselytizing should definitely be replaced by respect for other people's views, the ability to coexist with others, and the will to pursue and realize the shared aims that are still achievable despite all ideological differences, although I also believe that proselytizing should not be altogether rejected. On the contrary, it should always be present, albeit within the reasonable and moderate limits measured by our ability to coexist in a civilized manner and within the evangelical precepts. At the same time, let me stress that I do not regard religion as one of the current ideologies.

[Karnacewicz] At the moment, much attention is being paid to the question of promulgating the new state constitution. Several versions of that document, drawn up by a variety of political groups, have already been submitted to the Sejm. What are the church's expectations concerning the new constitution, and what solutions will it favor?

[Pieronek] The church has frequently declared that it favors and will promote only those solutions that are fundamentally important from the ethical viewpoint, provided they are clearly formulated in the constitution. Moreover, it would be hard to expect the church to accept a constitution that would only accord it a marginal place within the sphere of citizens' private concerns. Thus, we are also concerned with a constitutional recognition of the church's public and social role, to be formulated in an appropriate provision.

As regards other solutions, these are are not a matter of indifference to the church, either, although there is place for far-reaching tolerance here because we live in times when the public will not accept a nondemocratic model of social relations, even if a variety of different configurations may occur within the fundamental democratic model. Consequently, it is difficult to comment on these different configurations. We must wait until we see the actual draft of the new constitution submitted to public debate. Then, having had the opportunity to study that proposal, we will be able to decide whether the system solutions written into the new constitution meet or fail to meet the fundamental requirements of democracy. I doubt that the second possibility will take place, but we shall see for ourselves soon.

[Karnacewicz] We have recently noted fairly frequent attacks on the Catholic Church, not only from politicians but also from a considerable proportion of the faithful themselves, who charge the church with excessive interference in political affairs. What is the reason for this, and what are the aims behind these attacks?

[Pieronek] I cannot easily answer for the people who are responsible for these attacks. For my part, I am surprised by their claims because, to tell the truth, the church's presence in the country's political life is not easily discerned. It is possible that some objections concern cases of local conflicts of a political nature, which are really not within our power to resolve. It might be that people's mentality, including their views on politics, is currently changing, and this is often accompanied by aggressive stances assumed by both sides.

I believe that it is all a question of people's need to understand the situation of the country in which we all live and their attempts to promote one particular vision of their world over another. This seems to me quite impossible to achieve, especially because we live in a pluralistic country that is home to a whole variety of people with different views. A mere acceptance of this fact would already be a positive step for the country, the state, the church, and many different political configurations. Naturally, in politics, different configurations fight among themselves, perhaps not so much out of hostility to one another as out of a desire for power. But, in a situation when one group has the power and another group intends to win it away, fighting the opponent is often chosen as an obvious method.

In my view, the present time of transformations, the time of the great changes that are taking part in both Poland and Europe, is necessarily conducive to aggressive attitudes. However, I still believe that a gradual normalization of everyday life will continue to take place, that our attitudes will become more moderate, and that our mutual relations will be more civilized—and, by the same token, more evangelical.

To conclude, it seems that we now need to understand and accept certain realities. There must be room for every Pole in our country. Not all Poles think in the same way, and therefore we must come to terms with the idea that, while we may think differently, we must live together in the same country and work together for the good of this country. Consequently, we must also reconcile ourselves to our different roles in the pluralistic society and to respect one another within it.

[Karnacewicz] One reason for many attacks on the Catholic Church in Poland was that it declared itself categorically in defense of the unborn, expressing its resolute opposition to the Sejm's decision on liberalization of the antiabortion act. The church also demanded that the Sejm ratify the Vatican concordat. How would you comment on these attacks?

[Pieronek] There is a complete misunderstanding here. This is because, for example, the church could equally well be accused of being racist because, in its appeals for recognition for and compliance with ethical and Christian values, it also addresses people of Oriental or other ethnic origin. Why is it being charged with interfering in politics when all it does is admonish politicians? These concepts should be very precisely separated because they concern different domains. Politics is an altogether different domain from our appeals for respect for ethical values, especially such great and fundamental values as the value of human life. The church cannot be accused of being political because it admonishes politicians for ethical reasons. You might just as well be accused of being antiecological when you upbraid ecologists for violating certain ethical norms. This is a complete misunderstanding.

[Karnacewicz] Today, Polish society suffers from much disillusionment and disappointment with the democratic transformations currently under way in our state.

Why are people beginning to lose faith in the possibility of things changing for the better in Poland? What action must we undertake in order to restore the lost hopes to our society?

[Pieronek] This type of question is always very difficult to answer. First, society certainly needs more hope, but that hope must be based on solid foundations. Unfortunately, if we continue to see political infighting in Poland, if we repeatedly hear of major fraud and corruption going unpunished, if we see that law-enforcement agencies are ineffectual, all of these elements combine to give us an inevitable sense of hopelessness.

In addition, I believe that hope must have a more profound grounding. The person who bases his hope exclusively on promises of more money is certain to lose it very easily. The church gives a very clear call for hope based on eschatological arguments, and this really helps people to view their everyday lives with more equanimity. On the other hand, people who treat the difficulties of their everyday existence as the result of politicians' or economists' ill will and malice will indeed find it very difficult to build up an attitude of hope. And here Christianity gives us a much broader and more profound perspective: It teaches us to look at our life in terms of building up our inner greatness based on the acceptance of suffering and on experiencing that suffering in a religious context. It teaches us to anchor our hope also in the more distant future, which is nonetheless real to us according to the precepts of our faith.

[Karnacewicz] Thank you for talking with us.

National Bank Reduces Zloty Devaluation Rate

WS1309121094 Warsaw RZECZPOSPOLITA in Polish 13 Sep 94 p 1

[Article by Kr.K.: "Smaller Devaluation of Zloty"]

[Text] The National Bank of Poland [NBP] has announced that, effective 13 September, the increase rate of the zloty-calculated value of the exchangeable currencies basket will be reduced from 1.6 percent to 1.5 percent a month. The composition of the basket is not being changed; thus, it consists of: U.S. dollars (45 percent), German marks (35 percent), British pounds (10 percent), French francs (5 percent), and Swiss francs (5 percent)

The decision by the NBP president takes into account the improvement of trends in trade exchange abroad and increases in the foreign currency reserves, which have been registered for a long time now and which have recently been a major factor in the creation of money. The lowering of the creeping devaluation rate was also a consequence of the fact that the dynamics of increases in prices for sold industrial products have, in fact, decreased in 1994. The decision by the NBP president also takes into account the prospect of further lowering the inflation rate next year.

President Iliescu Gives State of Nation Address

AU1309121094 Bucharest Radio Romania Network in Romanian 0715 GMT 13 Sep 94

["Message to Parliament" delivered by President Ion Iliescu to a joint session of the two Chambers of Parliament in Bucharest—live]

[Text] Before proceeding in presenting my message—without wanting to interfere in parliamentary politics—I would like to say that I carefully followed your preliminary debate here, and I realized the risks incurred by an abstract discussion without a proper subject. [applause] I would like you to hear the message first and then you will see that it does not eschew the idea of dialogue and confrontation. On the contrary, it amounts to an invitation to debates and dialogue [applause], which, as you will see, cannot be done in a single session. This is an invitation to dialogue and discussions regarding the entire activity of this parliamentary session and our political life. Thank you.

Mr. Senate President, Mr. Speaker of the Chamber of Deputies, Ladies and Messrs. Senators and Deputies, Mr. Prime Minister, Messrs. Ministers, Honored representatives of the diplomatic corps, and Honored audience,

I considered it opportune that, at the start of this session—which also coincides with the second anniversary of the inauguration of the president and the members of the law-making bodies—and in accordance with my constitutional prerogatives, I should address myself to the Parliament, a symbolic institution of democracy, which was invested by the Constitution with the responsibility of ensuring the legislative foundation for consolidating the state based on the rule of law, promoting the economic reform, and integrating Romania in the new structures of Europe and the world.

The transition of the Romanian society toward democracy and the market economy is currently at a decisive point, something which obliges us to define more exactly the priorities and means of action, so as to accelerate the processes of change in the political, economic, and social spheres. I would like to discuss here several problems that I consider as important and topical for the country's progress, namely: the acceleration of privatization; the functioning of the institutions of the rule-of-law state and the consolidation of internal stability; the adoption of measures to stop the phenomenon of corruption; and certain other significant aspects of foreign policy.

Two years ago, in my message to Parliament during my investiture as Romania's president, I was talking about the Romanian people's desire for change, as proved by their vote in favor of the Constitution and by the democratic unfolding of the local, parliamentary, and presidential elections. Then and now, I considered and consider that the desire that fired the electorate was to see the country out of its makeshift situation and instability, embarked upon a natural evolutionary course, in keeping with the logic of a vast process of restructuring, which can ensure the proper functioning of the democratic institutions and also accelerate the process of reform. If we detached ourselves from the inherent unilateral party views and if we disengaged ourselves from the passionate environment of political confrontations, we would be able to assess—through objective and rational reasoning—that the Romanian society has overcome a first stage full of risks and uncertainties, instability, and political and social convulsions, when the legislative and institutional vacuum, the crisis of public authorities, and the disorder in the economic life represented primary threats to our national security and to the country's chances of democratic development. I would like to emphasize the significance of the fact that, through the conjugated contribution of the political and social forces and through the action of the new democratic bodies, we managed to overcome these critical situations in the past two years, while preserving the viable directions of change in the economic sphere and integrating ourselves in the regional and continental flux of the great social and geopolitical changes of contemporary times.

Romania has radically changed its face. It has covered a decisive segment of its transition to a new political and economic system, even though the evolutions may not have been up to everyone's expectations and hopes and even though, as we can ascertain today, the social and human costs of this change have exceeded, through their scope and implications, the quotas initially estimated—the consequence being that a large part of the citizens are feeling these costs in the amplification of their daily hardships and the deterioration of their living conditions.

There are a few incontestable gains brought about by this change. We have new and democratic structures and institutions. At the same time, we have delays and failures of the transition period, which are also pretty obvious. Romanian society in its entirety has covered a contradictory process of rearranging and promoting new values. Nevertheless, I believe that an objective glance at the situation indicates that Romania's economic and political picture presents many promising aspects, which, through well thought out but firm actions, can be turned into sure and lasting achievements of our country. With each passing day, the changes keep piling up and irreversibly sever us from the old states of affairs. At the same time, we are faced with many difficulties. All problems are important and the people are waiting for them to be solved, so that they can fulfill their ideals of freedom and well-being. In this vast process, we are duty bound to give coherence to the changes and to establish the priorities and logical order for their accomplishment, in accordance with our resources and possibilities.

I believe that the vital problem of the current stage is to ensure that the new democratic framework becomes efficient, facilitating the conjugation of our national efforts to implement the reform, to the benefit of all citizens. Right now, our democracy is subjected to a tough practical test. Until now, it has brought freedom, but not yet the expected well-being, security, order, and necessary legality, without which our democratic organization is still fragile and exposed to unforeseeable risks. We should not forget that the people also regard the democratic system as a function of the way political and civic freedoms contribute to ensuring the practical conditions for a decent living standard and real social security.

We must realize that we are entering a new stage of domestic and international development. This offers both advantages and contradictory trends, with certain negative effects at the social level. The economic and social structures that are emerging in Romanian society and whose appearance is in line with the overall and unavoidable trends in the world economy, given their tendency to integrate and spread globally, also generate—aside from the positive aspects of economic, technological, and social dynamism and progress, stimulating human initiative and creativity—trends of social polarization and the accumulation of wealth at one pole of society and poverty at the other pole, where the broadest categories of citizens are affected. This is the logical and law-governed tendency of capitalism, as has manifested itself in its incipient stages at a national level, and today is pregnantly manifesting itself at the international level, through the deepening gaps between the world's rich and poor. However, these trends can be attenuated by the coherent action of political and social factors interested in the balanced development of society and in utilizing its entire human potential, as proved by the experience of most developed European states. Within this experience, the concept of the social market economy was defined. This came to the fore in the practice of many European states after World War II and presupposes a combination of economic efficiency and social balance, promoting certain levers and mechanisms of social protection specific to the modern market economy. There is some state involvement, but not in the administrative command forms known in our country until not so long ago, and which were reflected in a centralized economy where the paternal state held a monopoly over property and national wealth. I believe that our essential orientation and basic concern must be to define and create a modern and efficient social market economy in accordance with the requirements of contemporary progress, regardless of political options, in order to crystallize a national strategy of development for the coming years.

Esteemed audience, the progress of our society is organically determined by the progress of the reform, in which we place all our aspirations of prosperity. We are now at a sensitive and extremely important point of the implementation of the reform process, which should be of concern to all of us, since reform is not the priority of a group, party, or government, but of the entire society. If 1993 was the most difficult postrevolutionary year, since it brought together the combined effects of the deteriorating economic activity domestically and of the unfavorable international circumstances, it also marked the start of the halt in the decline, plus certain small improvements in certain branches. Economic activity this year has shown a process of general macroeconomic recovery. The rate of inflation has been substantially reduced. The budget deficit is expected to improve. Trust in our national currency is increasing. This is helping to stimulate the process of financial savings and the more efficient allocation of credits in the economy. We ensured the liberalization of the currency market and the stabilization of the leu exchange rate and we also took important steps to improve financial discipline.

I would also like to mention the progress in exports as a result of the more than 35-percent increase in the first eight months of this year compared with 1993. This has decisively contributed to redressing the trade balance and creating the more than $700 million hard currency reserves we currently have. It is worth pointing out that 40 percent of Romanian exports go to EU countries. Likewise, there are clear signs of recovery in our agriculture, making it possible for us to reduce imports of grain and other agricultural and food produce and ensuring products for export. Now, it is vital that, combining fiscal policies with the accelerated process of privatization and restructuring of enterprises, we stimulate steady and lasting economic growth that will closely link macroeconomic stability with the increase in the gross domestic production and product to bring about the recovery of enterprises at a microeconomic level, increase the population's purchasing power, and improve living standards. The special feature of the current stage of reform is acceleration of large-scale privatization. Together with the development of small and medium-sized enterprises created on the basis of private initiative, this will ensure that in future the private sector accounts for the main part of the national economy.

I consider that the program of measures and amendments to Law 58/1991 proposed by the government aims at implementing the two major goals, representing the spirit and essence of the Law on Privatization: a social one, namely to reinstate the citizens in the same position of participation in the start of the large-scale privatization by distributing, free of charge, ownership shares amounting to 30 percent of the social capital of all units that will be privatized, and second, an economic goal, namely to promote the efficiency of the privatization process through the free sale of the rest of the shares, with the enterprises retaining a substantial part of the moneys brought in by the sale so that they can thus liquidate their debts, eliminate the financial blockage, and support their own programs of modernization and restructuring. I dwell on the economic aspect of this program because certain demagogic stands have been heard of late in support of the free-of-charge distribution of an even larger part of the social capital of the enterprises—if possible, their largest part. The first ones interested in the nonadoption of such a course are the citizens themselves, since the danger behind such stands resides in the elimination of a real source for the relaunching of our economic growth, for the elimination of the financial blockage of the enterprises scheduled to be sold, and for the financing of the programs to restructure and modernize the enterprises, something that would lead to a situation whereby both the economy and the country's population had to suffer.

At the parliamentary debate on this subject, you will present your viewpoints and make the necessary corrections. As the head of state, I consider that, beyond the various options and interests, the main thing is to strongly accelerate the privatization process. The Romanian society is pinning its justified hopes on the implementation of this process in order to instill a faster pace in the modernization and restructuring effort, increase the attractiveness of enterprises for foreign investments, and subsequently improve the budgetary incomes and provisions for supporting the modernization of various infrastructures and social fields of great importance, such as education, health, and culture.

As a matter of fact, I believe that we should point out a true thing—namely, that the reform program in its essential features derives from the economic logic of the processes we are going through now and from the essence of the changes we must complete. Generally speaking, any governmental team or political force that may come to power can only follow the same path and pursue the same goals. It is true that one can go faster or more slowly in a certain direction and that private or group interests can instill certain false and damaging trajectories, but the matrix of transition imposes compulsory moves from all of us, as well as reactions and measures that we cannot eschew.

As a result of the great privatization, we hope to draw in the process of economic restructuring not only the domestic resources and accumulations of recent years, but also foreign resources and foreign capital investments, which, along with the credits received from international financial institutions, can contribute to the stimulation of many spheres and instill a general dynamism in all spheres, something that will also have a positive impact on the people's quality of life and living standards. I invite the Romanian and foreign businessmen to count on Romania's economic future. We, the politicians, should offer guarantees for this future.

In the implementation of this reform process, it is obligatory to ensure social protections, which can attenuate the negative effects and prevent the emergence of tensions, conflicts, and phenomena of instability. In the last instance, we are not implementing the reform and privatization for the sake of reform and privatization per se, but rather to meet certain requirements of the economic and social progress and serve the interests of the citizens. By encouraging the private initiative, which is vital for the economic progress, we cannot omit the essential goal of this process—namely, that it should be reflected in increased economic efficiency and competitiveness and in ensuring a better life for all citizens.

Regarding the social aspect of the reform, I confess that I am also concerned with certain disbalances that have emerged in the salaries of certain employees paid from the state budget, compared to the situation prevailing in other corporations and enterprises administered by the state. With the participation of all interested factors, including the trade unions, we must find adequate solutions to this problems, too, since such disbalances are sources of justified discontent and can generate negative phenomena in the economy.

I would conclude this part of my intervention by appealing to you to accelerate the legislative process—in coherent packages of laws, if possible—so as to stimulate the progress of reform and speedily provide legal support for the institutions called upon to implement the reform and the modernization of the Romanian society. [applause]

In one form or another, corruption is manifest in the most diverse sectors of the social and economic structures and risks to lead to the expansion of the underground economy, to blocking the reform efforts, and to weakening the population's trust in institutions and the new political class being shaped now in our country. The people are expressing their increasingly intensive discontent with many bodies of the local administration and the activity of certain city halls and local councils for their lack of response and failure to solve many concrete problems facing the localities and citizens, for delays in the implementation of the Law on the Land Stock, and for the existence of many abuses and illegalities in this field. Justified discontent is caused by the artificial blowing up of prices by certain producers and by the profiteering practices of certain intermediaries, particularly in the agricultural food markets.

There are also opinions that discredit the notion of public property and promote a lack of interest in the proper administration of public wealth by encouraging its estrangement and degradation under the pretext that it will be diminished anyhow through privatization. Let us not forget that, in the developed European countries with long democratic traditions, the public sector continues to have an important share and play an important part both in the economy and in ensuring the social protection of the citizens. This sector will continue to have a significant share and an important role in our economy, particularly in our specific conditions, both in the current stage of transition and in the future. Therefore, its responsible and efficient administration is essential.

Ladies and Messrs. Parliamentarians, a particularly serious phenomenon is the expansion of corruption and the inefficiency of the measures taken to combat this disease. I believe that we should rethink the anticorruption system from the beginning, so as to protect democracy from practices and behaviors that compromise it in the eyes of the citizens. Beyond various cases and scandals, about which contradictory information has been ventilated in the press and Parliament, corruption as a phenomenon has acquired an alarming scope.

I hope that the discussions on the report compiled by the parliamentary commission in charge of investigating corruption will identify the causes and conditions that favor this phenomenon and will occasion, on the one hand, new legislative initiatives for defending society from this disease and, on the other hand, it will give an impetus to the authorized bodies, first of all financial control and penal surveillance bodies, to be firm and merciless.

We need concrete solutions in our struggle to stop corruption and overcome political barriers. I believe that we need to have the legislative framework urgently completed with special provisions, mainly in the area of infractions and in the economic field. I am still convinced that we need a law that should stipulate that all those who are elected or appointed to public positions should declare their wealth. [applause]

And currently, all those who are employed in the institutions and bodies involved in the privatization process should also declare their wealth in order to eliminate all possibility of unfounded suspicions hanging over them and to protect public offices from being discredited by the immoral behavior of certain dignitaries or public employees.

[Text] In the same spirit, I believe it is necessary to adopt a joint decision regarding the interdiction for state dignitaries, including parliamentarians, to be members of administrative councils [applause] or to fulfill other functions as employees of decisionmaking bodies. Other regulations, such as the law on ministerial responsibility and the law on public employees, are necessary in order to improve the capacity of legally authorized institutions to intervene in negative social phenomena, such as economic crimes, tax evasion, practices of trafficking, and corruption. I might say that the struggle against corruption and its results are a test that our democracy and all institutions of a rule-of-law state have to pass. From this viewpoint, as well as generally speaking, in order to ensure the efficient functioning of a pluralistic democracy and a rule-of-law state, it is decisive to ensure the separation of powers in a state, as a fundamental principle of democratic organization, which, in this way, can better serve the citizen and contribute to his protection and political and human comfort.

I have received thousands of letters from citizens who have obviously been victimized and have serious problems to be solved, but are dragged from the Mayor's Office to the Prefect's Office, from the government to the Parliament, or before the Court of Justice without finding the support and the protection they need. Many people told me: God forbid you should have a problem today because there is no one to defend you.

The separation of powers should not prevent communication and coordination when needed between these authorities. In order to find an adequate response to the current problems in order to prevent abuses and ensure the rule of law and competence in accordance with this principle, we should see to it that for all the difficulties brought about by transition and certain state of affairs—for which no legal basis has been found yet—the separation of powers should not become a source of blockage, constant postponement, or manifestation of inconsistency because all these can weaken people's trust in democracy and its principles and can also fuel nostalgic attitudes.

In this context, I would like to stress the fact that today, the consolidation of democracy and market economy represents the only chance to serve efficiently the fundamental interests of our country. No matter how we relate to the past or how we regard it, it should be clear that the future implies a determined disengagement from the more recent or more remote past and that the unequivocal will to keep in step with modern times in accordance with evolutions in the current world, to consolidate democracy, and ensure the prosperity of our citizens.

In order to ensure the functioning of the democratic system, it is necessary today to eliminate the overlapping and duplication of various institutions' duties and to clarify relations between them in order to simplify and make more operative the mechanisms of internal organization of our society. State institutions are duty-bound to protect citizens and their interests, to protect the social wealth, either private or public, and ensure public order.

I do not wish to approach now the issue on how these duties have to be carried out, maybe because there is much to say and not necessarily positive things. I only wish to stress that, in order to fulfill these responsibilities, the institutions of our state should enjoy authority and prestige. But first of all, these institutions should display the professionalism and human quality of those who work within the respective institutions, of those who are called upon to ensure the promotion and the application of laws.

In this respect, I highly value the critical approach, including the approach of the press that notices real shortfalls in the operation of these institutions, because the criticism is done in a genuine spirit of democracy and serves the work of perfecting the rule-of-law state. On the other hand, the unreasonable campaigns of slandering and degrading certain fundamental institutions of the state or their representatives through distorted reports of certain facts and through disinformation do nothing but undermine the authority of these institutions and thus, the stability of the country. They do not even serve those who initiate and fuel them.

Such actions and behavior should be eliminated from the practice of political struggle because they are at variance with the ethics and with civilized political confrontations that are normal and necessary in a democracy. They only bring tension to the social climate. The consolidation of the rule-of-law state is in the interest of society and, at the same time, it represents the duty both of those who are ruling as well as of those who belong to the opposition, because this is a truly national option.

Ladies and gentlemen, the dynamic pace of international life in the past two years stresses the diverse and complex nature of processes that have been brought about by actions to overcome the encroachment specific to bipolarism and to the Cold War and by the natural need of countries to redefine their statutes and their relations in the new conditions. At the same time, the international system is characterized today by new uncertainties and risks to a much greater extent than in the period of bipolarism.

On a European plane, the great tendencies that took shape immediately after the achievement of political transformations in Central and Eastern Europe, as well as in the former Soviet Union, continue to influence the contradictory views of developments. We witness integration at one end, disintegration at the other end, and attempts at reintegration of all of them into a united European region as the three faces of the vast process of transformation that is taking place on our continent.

Europe's security is no longer threatened by the danger of a great nuclear conflagration or by the East-West conflict. However, it is seriously tried by regional military conflicts, which obviously tend to become chronic and have a real potential for geographic expansion, such as the conflict in the former Yugoslavia, the resurrection of some totalitarian ideologies that exploit the manifestations of local separatism, nationalism, or ethnic-religious militancy, the danger of a new Iron Curtain, this time of an economic nature, the imperial nostalgia, or the reopening of appetite for the policy of zones of influence and domination. All these bring about new risks and threats to security, and adequate political and military responses should be found to them.

The debates on and endorsement of draft laws regarding the integrated concept of Romania's security and the military doctrine regarding Romania's defense, approved by the Supreme Council for the Country's Defense and submitted for approval to the Parliament, become in this context necessary measures both for the continuous unfolding of the process of reform in this sensitive domain, as well as for strengthening our country's position and international credibility.

The political differences in Romania are often exacerbated even when they refer to insignificant details. Thus, it is even more important to mention that the fundamental goals of Romania's international policy, such as integration in the Euro-Atlantic economic and security region, the reconstruction of the judicial basis of bilateral relations, and regional cooperation have been supported by all important political forces represented in Parliament or outside Parliament.

In spite of different ways of approaching these issues, there was a joint understanding of the historic importance of the Republic of Moldova's disengagement from the former Soviet Union and the proclamation of its independence, as well as the need to develop direct political, economic, and human relations with that state in order to fulfill the strategic goal of a joint economic and cultural area.

The debates in the plenum of the Parliament, the proceedings of the foreign policy commissions, the activity of the Council for Euro-Atlantic Integration, the activity of the executive, as well as the actions of the president: each from its specific position and with the constitutional means available to them have made a contribution to the assertion and concrete achievement of these goals. Among these goals, I would like to mention the coming into effect of the treaty of Romania's association to the European Union and the confirmation by the Supreme Council of the Country's Defense and the North Atlantic Council respectively, of the individual Partnership for Peace program between Romania and NATO for 1994. As a result of all these efforts, through the recognition of the correctness of our foreign policy goals, their beneficial nature for international security and cooperation, and through the trust and importance granted to our country in the context of the measures for ensuring stability, peace, and cooperation in the new European and world system, Romania's international position has gained in durability and prestige.

Relations with the majority of states in the Euro-Atlantic region, primarily with the United States, with France, Germany, Great Britain, and Italy experienced an outstanding and noteworthy improvement both in the field of political as well as economic cooperation and in the area of collective security measures. Certainly, justified criticism of Romanian diplomacy, of its capacity to answer rapidly and adequately to the changes in the international arena, of inventiveness and perseverance with which we followed the achievement of one or the other of these major goals, and of our international policy have been expressed and they are always welcome. From this viewpoint, there is no doubt that it is necessary to finalize the stage of Romania concluding new basic treaties primarily with neighboring countries as soon as possible.

This will consolidate the mutual confidence of the sides to cooperate and approach in a more constructive manner older or newer issues which continue to influence the domestic and international situation of each of these states. All this must ultimately lead to the consolidation of stability and security of each state and of Europe as a whole.

Therefore, Romania has favored and will continue to favor the initiatives of the European Union for a combined bilateral and multilateral approach to various issues, in a framework coordinated by principles and actions that should lead to the consolidation of peace, to promotion of relations of good neighborliness, and to effective increase of the chances for rapid integration of the Central and East European countries in the institutionalized area created by the European Union, the West European Union, and NATO. It is necessary for us to continue to act consistently in all areas, through new initiatives, in order to assert Romania's constructive role as a factor of stability in this area of Europe, to promote political solutions in settling conflicts, especially in the Yugoslav region, and to promote good neighborliness by enlarging cooperation in the Black Sea region and in the Danube basin.

Just as the consolidation of Romania's international standing and the increase of its credibility abroad had a stabilizing effect on the internal situation and on the capacity of action to implement the basic goals of the economic and social reform, in the same manner the domestic political and economic development makes a decisive contribution to the stability of our position in the international context. We will not permit ourselves to have the illusion that foreign policy is an independent area. No doubt, the convergence of viewpoints on the major foreign policy goals is a positive characteristic of the Romanian political scene. Certainly, diplomacy will continue to make efforts to achieve these goals. Romania's international position, its credibility and capacity for action, will be determined mainly by the consistency of the internal political and economic processes, primarily by the capacity to promote reform, to achieve a credible economic-financial mechanism that is attractive for foreign investors, and by the capability to make use of the human and material resources available to Romanian society.

The responsibility for the implementation of these goals cannot be limited to government actions. This responsibility rests equally with the whole society and primarily with the political forces that are represented in Parliament. It is our duty to understand and say clearly to those who empowered us with the mandate to lead the country's affairs: We are at a crossroads not only for Europe as a whole but also for each of the countries on our continent. The place that Romania will occupy in the future configuration will be mainly decided not only by circumstances or the will of the great actors on the international stage, but mainly by our own actions and the capacity to build and assume the historic destiny as a European nation that is located at the crossroads of the great geostrategic directions of our continent.

Esteemed audience, a good foreign policy cannot find a more solid support anywhere than in a coherent domestic policy elaborated on the basis of the values and fundamental options that define the interests of the whole Romanian society. The establishment of a real climate of dialogue and cooperation among all political and social forces would be essential for speeding up many positive process and it would put an end to the state of expectancy which still afflicts many of the country's values and skills. You are certainly aware of the fact that in many situations, at a local level, reconciliation is a reality. People know how to be adversaries but not enemies. I mean that hatred leads nowhere and brings misery to everybody. They are surprised and do not understand why, at a national level, confrontation does not return to a normal level and continues to be present in an excessively prolonged strife.

Whether we are talking about the rule-of-law state, about consolidating democracy, about reconciliation or national interest, all these issues lead to the basic problem. That is the responsibility incumbent on the new Romanian political class in the process of establishment, its capacity to understand its role, and the need to cooperate on issues of fundamental interest. In this spirit I continue to believe that the current times in the life of our country require a minimum level of understanding among political forces regarding the general direction of Romania's development in the coming period. Since I have frequently expressed this idea in public speeches as well as during consultations with representatives of political parties, I wish in this framework to note certain elements, certain ideas which express the fundamental interests of our society and could make up the basis for such a platform. Starting from the provisions of the constitution, from the common option for a rule-of-law state and a pluralist society, and absolute respect for human rights, such a platform might include at least the following guidelines:

First of all an understanding regarding the fundamental political goals, which would refer among other things to: speeding up the processes of democratization and consolidation of the rule-of-law state; respect for the constitution; the engagement of all political forces represented in the Parliament to make use of all their influence in society in order to consolidate the political and social stability.

The respective understanding should also include the following points:

The rigorous respect for human rights established by the Constitution and the international accords of which Romania is a part, including the ensurance of rights of persons who belong to national and religious minorities, in accordance with international standards as expressed inthe documents of the United Nations, CSCE, and the Council of Europe;

The coordination of actions of parliamentary forces to prevent and discourage tensions and conflict of an ethnic or religious nature, of manifestations of xenophobia and anti-Semitism, and of any totalitarian concept and manifestation;

Support for the process of national reconciliation that should speed up the normalization of the social and political life and its consolidation on the basis of the general interests of the Romanian society;

The consolidation of all structures of the civic society, and within this framework, the encouragement of trade unions to preserve their identity, remain bodies that express the social-professional interests of the employees, and avoid political involvement;

Ensuring cooperation for Romania's defense and promoting our country's interests in all international bodies;

Protecting national security through modernization of the army and Romania's integration in the European and Euro-Atlantic defense structures, primarily in NATO and the West European Union;

Consolidating the status of associate partner and, in the future, the integration of our country into the European Union;

Supporting the Republic of Moldova and developing cooperation in all areas, in order to achieve a common economic and cultural space;

Developing a policy of good-neighborliness and cooperation with the countries in the area, based on the principles of international law;

Supporting all initiatives in the Balkan, Central European, Danube basin, and Black Sea region.

Second: To achieve an understanding on the continuation of the economic reform which should basically stipulate the support of measures aimed at accelerating the large-scale privatization as an essential element of the economic reform; modernizing the domestic industry; increasing the economic efficiency and technological competitiveness; encouraging investments of foreign and domestic capital; concluding the process of distributing the land ownership certificates; modernizing Romanian agriculture as a national priority and basis for the economic and social stability and for prosperity and food security; establishing measures of protection of Romanian agricultural producers; ensuring a rigorous financial and credit policy in accordance with the standards established by the international financial bodies to which Romanian also belongs; modernizing the banking system and diversifying its services; achieving a complex security system in the field of economy and social assistance, including the medical care; ensuring social protection at the maximum level permitted by the Romanian economy; promoting, on a priority basis in the Parliament, draft laws that are necessary for economic reform.

Third, an understanding should be reached on priorities of the government, on measures that support the implementation of the government program, and on other measures approved by the Parliament; ensuring the professionalism of state administration; promoting the status of public servants; fighting corruption with all legal, economic, administrative, and punitive means; correlating efforts in order to make Romania's image abroad be perceived correctly.

And fourth: A code of manners of political forces should be agreed upon, which would include provisions for defending and consolidating the prestige and authority of the institutions of the rule-of-law state, for preventing and fighting with the force of the law all actions of defaming and slandering them; and for using a civilized language in public debates, as an elementary requirement to preserve the credibility and authority of political persons and of institutions they represent.

These suggestions are certainly only a starting point for a debate and of certain possible negotiations among political parties. The elaboration and the endorsement of such a platform of understanding and political cooperation, no matter how it will be defined later, means neither the achievement of a government pact or of a government coalition nor the loss of autonomy or identity of political formations. Its major goal is to clarify and normalize the political life as a result of explicit assumption by all parliamentary forces of certain minimum but essential requirements, without which neither democracy nor the progress of reform are durable.

We are facing a difficult stage that is by no means more simple than the other stages we have traveled so far. The Romanian society's course toward democracy, with a political and institutional foundation, has a permanent economic character as well through the progress of the reform, which, if supported by a firm will, can become truly irreversible. Shaping a joint and coherent strategy for the coming period, which unanimously approved and supported would not be at variance with political and ideological pluralism but would mean that this pluralism has matured, that it is alive and is functioning properly. It would save the country from many detours and costly efforts, would represent the most appropriate homage paid to the December [1989] revolution, whose fifth anniversary is going to be celebrated soon, and would illustrate our determination to ensure, above all party interests, the change for the better in Romania.

Thank you for your attention. [applause]

Moldovan Foreign Minister Holds News Conference

AU1409074994 Bucharest Radio Romania Network in Romanian 1900 GMT 13 Sep 94

[Report by Eugen Baboi on joint news conference held by Teodor Melescanu, foreign affairs minister of Romania, and Mihai Popov, foreign affairs minister of the Republic of Moldova, in Bucharest on 13 September 1994]

[Text] Tonight the visit to Bucharest of Mihai Popov, foreign affairs minister of the Republic of Moldova, concluded. During the evening hours, the Moldovan dignitary, together with his Romanian counterpart, held a news conference at the headquarters of the Foreign Affairs Ministry.

Owing to the fact that the journalists attending the news conference especially targeted Popov with their questions, the news conference was really an easy task for him.

Both ministers emphasized the need to forward the political dialogue between the two independent Romanian states, also stressing the importance of strengthening economic cooperation. The Republic of Moldova considers the strengthening of economic ties with Romania a priority goal; that cooperation exists and is being furthered, highlighted Mihai Popov. At the same time they will also consolidate, along with the degree of its efficiency, their economic cooperation with the Commonwealth of Independent States.

[Begin Popov recording] Any attempt to go beyond our depth, in the way we are [word indistinct], will lead to you-know-what. This is why we will strengthen both the Moldova-Romania economic space, but also foster and deepen economic relations within the CIS Economic Union. [end recording]

The talks between the two foreign affairs ministers also referred to the issue of concluding the negotiations and signing the fundamental treaty between Romania and the Republic of Moldova. They agreed, owing to their joint wish that the treaty should be signed as soon as possible, that the final round of the experts' talks on the treaty should be held within a short while.

Answering a journalist's question on Chisinau's stance regarding the Molotov-Ribbentropp pact [of 1940, annexing Moldova to the USSR], Mihai Popov said:

[Begin Popov recording] Regarding the Molotov-Ribbentropp pact, or rather the Ribbentropp-Molotov pact, because there is a certain difference here, I would say that this null and void formula is still valid today. Aside from this, I think that we should be realistic regarding this issue as well, because we have to comprehend what the elimination of the consequences of that pact would mean to each of the involved parties. [end recording]

Regarding cooperation among our states within various international bodies, considering the upcoming session of the UN General Assembly, Teodor Melescanu pointed out that during his talks with his Chisinau counterpart, they did not go into detail, and thus they have to be discussed later. In turn, Mihai Popov emphasized that during the UN session the Republic of Moldova will second any initiative that suits its interests.

In connection with the fate of the Ilascu group [held prisoners at Tiraspol by the authorities of the self-styled Dniester Republic] Mihai Popov declared that the Republic of Moldova has made every possible effort applying to international fora, as well as to the Moscow leaders, to increase the pressure exerted upon the Tiraspol leaders with a view to remitting the case to the competent bodies of the Republic of Moldova.

Regarding the presence of the 14th [Russian] Army on the territory of the Republic of Moldova, Mihai Popov said that the Republic of Moldova has never given its consent to the stationing of the 14th Army on its territory. The Moldovan-Russian negotiations [on the pullout of the army], which were also attended by the representatives of Dniester region, have set a deadline of three years for the pullout of the Russian troops. The Chisinau minister also mentioned that this was a difficult issue, as currently there is an enormous quantity of weapons and ammunition under the control of the 14th Army. Besides, they also need an accord to be concluded between Russia and Ukraine on the passage of the troops upon the latter country's territory, Popov said, adding that the Republic of Moldova also expects international bodies to strictly control the pullout.

In the conclusion of the news conference, having been asked whether he had any problems caused by the language that was used during his talks with the Romanian foreign affairs minister [reference to the Chisinau authorities' recent decision to adopt the "Moldovan language" as official language instead of Romanian], Mihai Popov said that he did not need interpreters, as the talks were held in one and the same language.

Opposition Leader Views Ties With Hungary

AU1209134394 Budapest MAGYAR HIRLAP in Hungarian 3 Sep 94 p 3

[Unattributed report: "Constantinescu Regards Franco-German Example as Something To Follow"]

[Text] Hungary welcomed the Romanian foreign minister's statement that the Hungarian-Romanian basic treaty could be signed next year. This is what Foreign Ministry State Secretary Istvan Szent-Ivanyi yesterday told Emil Constantinescu, chairman of the Democratic Convention, which includes the opposition parties in Romania.

The head of the Romanian opposition told Istvan Szent-Ivanyi that he would like to see new contacts in Romanian-Hungarian relations. Szenti-Ivanyi said that Hungary would like to accelerate economic relations even before the political issues are settled.

As we learned from Istvan Szent-Ivanyi, at the talks, Emil Constantinescu regarded Hungarian-Romanian relations as being of key importance from the viewpoint of stability in Central Europe, and he compared these relations to the importance of Franco-German relations. According to Emil Constantinescu, new initiatives are needed, as well as contacts between the two parliaments and various parties, and the establishment of cultural contacts. Constantinescu called the minority rights and the autonomy of local government bodies something very important and, in his view, this could solve the Hungarian problem in many aspects.

Constantinescu admitted that, in addition to border guarantees, the basic treaty should also contain guarantees for the minority rights.

Szent-Ivanyi told Emil Constantinescu that, according to the Hungarian Government's position, we need pragmatism and a policy of small steps in order to improve the situation even slightly. Therefore, Budapest will endeavor to develop the bilateral economic relations as quickly as possible, even until the signing of the basic treaty. Hungary finds it important to open the new border- crossing points, something the two countries have already agreed upon, and to ratify the agreement on avoiding double taxation and on investment protection.

The leader of the Romanian opposition was received by President Arpad Goncz, Parliament Chairman Zoltan Gal, Imre Szekeres, head of the parliamentary group of the Hungarian Socialist Party, Alliance of Free Democrats chairman Ivan Peto, and former foreign minister Geza Jeszenszky.

Emil Constantinescu told the media in Budapest yesterday that a community of interests should be created between Romania and Hungary. Emil Constantinescu would support a joint infrastructure development carried out by the two countries and would welcome a regional cooperation between the two countries.

Emil Constantinescu pointed out that the parties that make up the Democratic Convention possess 47 percent of the parliamentary seats, and their goal is to achieve more than 50 percent at the election scheduled in 1996, including the mandates of the Democratic Union of Hungarians in Romania.

Speaking to journalists, Emil Constantinescu called for an immediate and complete decentralization, something that would enable the emergence of real local autonomy in Romania on the basis of the independent property and income of the local government bodies. In his view, such genuine local autonomy would enable a positive discrimination of the ethnic Hungarian minority, as well as the implementation of many demands, without harming the interests of the majority Romanian population.

According to the Democratic Convention, the inclusion of Funar's Romanian National Unity Party in the government coalition in Bucharest harms Romania's foreign political interests.

UN Official Blames Muslims for Bihac Clashes

LD1309185094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1758 GMT 13 Sep 94

[Excerpt] Knin, 13 Sep (TANJUG)—Alun Roberts, UN Protection Forces [UNPROFOR] spokesman for Sector South, said at today's regular news conference in Knin that the present clashes in the Bihac region are a consequence of attacks launched by the Muslim army's 5th Corps on Serb positions in the areas of Bosanska Otoka and Bosanska Krupa.

Therefore, Roberts said, this does not constitute an act of aggression on the part of the Srpska republic army.

Roberts also denied information that members of the Serb army of Krajina have been shelling Bihac. These rumors, he said, have not been confirmed by UN military observers on the spot. He pointed out that he has reprimanded UNPROFOR's information service in Zagreb and warned it not to disseminate unsubstantiated information. [passage omitted]

Serb Losses Reported in Bihac; Mladic Wounded

LD1409092194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0600 GMT 14 Sep 94

[Text] Throughout yesterday, the Serb-Montenegrin aggressor continued heavy attacks against the Bihac district, Teocak, Konjic, Gorazde, Olovo, and the zones of responsibility of the (?Seventh) South and Bosnia operational groups. However, our defenders have been responding courageously and scoring fresh successes.

In a counterattack fighters of the 5th Corps, led by the 505th [word indistinct] Chivalrous Motorized Brigade, destroyed the chetnik forces and shifted the [word indistinct] of our state territory. Sixty chetniks were killed and three times that number put out of action. Three armored and several other motorized vehicles were destroyed and a considerable amount of ammunition, equipment, and weapons seized.

In the fierce fighting yesterday, war criminal Ratko Mladic, who was in charge of the latest offensive against the Bihac district, was wounded. In a reprisal for the latest losses, yesterday, the aggressor heavily bombarded residential areas in this UN protected zone.

Army Advances East of Bihac, Evacuates Civilians

AU1309151494 Paris AFP in English 1212 GMT 13 Sep 94

[Text] Sarajevo, Sept 13 (AFP)—The Bosnian Army has evacuated civilians from a front-line town in the northwestern Bihac pocket ahead of a feared new push by Serb forces waging a six-day-old offensive, a UN spokesman said Tuesday [13 September].

Some 900 shells landed in the Otoka area on Monday, said UN Protection Force spokesman Eric Chaperon, the highest level of shelling since the Serbs launched their attack on the pocket's eastern zone almost a week ago.

Most of the shells were fired by Bosnian Serb forces, he said.

Bosnian Serb forces also shelled a strategic supply route in the Konjic area, 45 kilometres (around 28 miles) southwest of Sarajevo, which provides a lifeline to the Bosnian capital from the Adriatic coast.

Heavy small arms and machinegun fire accompanied the 100-shell bombardment, said Chaperon, although the absence of reported infantry movements made it difficult to assess the importance of the attack.

Chaperon said although UN observers in the area had reported no change in the front line in the eastern sector of Bihac, "the population of Otoka, with the exception of elderly and soldiers, have been evacuated towards Jezerski," six kilometres (four miles) further west.

Asked if the move meant Serb forces were advancing on the town, Chaperon said: "It is not far away from the confrontation line and I guess that the Fifth Corps fears for the lives of the population in the city and they have evacuated that population as a precautionary measure."

He was unable to say how many people had been evacuated from the town.

Most of the fighting Monday was concentrated north of Otoka, but clashes were also reported in the nearby Cecici area.

UNPROFOR spokeswoman Claire Grimes ruled out UN military action to halt the fighting in the Bihac pocket, a Moslem area surrounded by Serb-held territory where government forces earlier this year put down a separatist revolt led by a local Moslem leader.

"This seems to be a serious development in terms of the level of fighting in the area and we are calling on the BSA (Bosnian Serb army) to desist from military action," Grimes said.

"At the moment the fighting is concentrated on the confrontation line, it is not targetting Bihac town, which is the safe area," she said, adding that combat outside the town was not covered by the UN mandate.

The United Nations declared Bihac and its "surroundings" a safe haven in May 1993, which means in theory that NATO warplanes could be called in to protect the zone in the event of attack.

On Saturday UN Bosnia commander Lt-General Sir Michael Rose warned the Serbs to halt their attacks on Bihac town or face action by the North Atlantic Treaty Organisation.

Bosnian army troops appeared meanwhile to have advanced on the Grabez Plateau east of Bihac town in a bid to cut off supplies to Serb forces which had been shelling the town.

They also seem to have checked a separate offensive by Croatian Serbs in the Radac area further north, UN officials said.

Rose raised the Bihac fighting during talks Monday with Bosnian Serb leader Radovan Karadzic, said Grimes.

Rose also protested the presence of a 120mm mortar inside the 20- kilometre (12.5-mile) heavy weapons exclusion zone around Sarajevo during his meeting with Karadzic, she said.

He also told the Serbs to remove a 20mm anti-aircraft gun which has been shelling the Mount Igman road southwest of the city since late July, when a UN convoy was destroyed in an attack which left a British soldier dead.

But Grimes said the UN commander "is not considering any further action at this point" to secure the gun's removal even though it violates the exclusion zone.

UNPROFOR is restricting itself to diplomatic efforts to persuade the Serbs to move the gun, she said, but admitted no progress had been made.

Serbs Losing Ground to Muslims in Southeast

LD1409114994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1114 GMT 14 Sep 94

[Text] Bileca, 14 Sep (TANJUG)—The Muslim army offensive in the Konjic-Kalinovik direction on the Herzegovina battlefield is being stepped up by the hour, the command of the Herzegovina Corps announced today.

The situation is most dramatic in the Serb village of Bijela near Konjic which Muslims are targeting from all available weapons. The Muslims have taken control of several elevated positions which are important for the defense of the village. All able-bodied members of the Serb population in the area have been mobilized, and the elderly, women, and children from the village of Bijela have been sheltered in safe areas.

The command of the Serb forces has confirmed that three Serb fighters have been killed, four seriously wounded, and many slightly wounded in the exceptionally heavy fighting over the past 24 hours. Six Serb soldiers are missing.

The latest report from the field received shortly before noon today says that the fighting is not dying down, but that the Serb soldiers have managed to consolidate the defense of the villages of Borak and Glavaticevo near Konjic.

Muslim Forces Launch Attack on RSK Serbs

LD1209131394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1201 GMT 12 Sep 94

[Text] Banja Luka, 12 Sep (TANJUG)—Units of the 5th Corps of the Muslim army launched heavy attacks this morning on positions of the army of the Srpska republic in the western part of the Krajina theater of war, the Information Service of the 1st Krajina Corps reports.

According to the service, the heaviest attacks were launched from the direction of Corkovaca and Latinovac, 12 km northwest of Novi Grad [Bosanski Novi], and the direction of Ljusina and Otoka on positions near Krupa na Uni [Bosanska Krupa]. The 5th Corps in fact launched its offensive operations yesterday afternoon and continued throughout last night by infiltrating reconnaissance and terrorist groups.

The infantry attacks are being preceded by heavy fire from 120- and 82-mm mortars.

According to the Information Service of the 1st Corps, the units of the army of the Srpska republic are successfully repelling the attacks and firmly holding their positions. There are dead and wounded on both sides.

Muslim 'Counterattack' on Konjic Front Detailed

AU1409100794

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0900 GMT on 14 September carries in its regular 3-minute newscast three reports on the fighting on the Konjic, Brcko, and Teocak fronts. Reception is fair.

The studio announcer reads out a report from the Press Center of the Bosnia-Herzegovina Army 4th Corps, saying that "displaying great valor and high morale, the fighters of the 4th Corps have taken over the initiative on the Konjic front and, in a relentless push, have been destroying the chetnik strongholds one by one. The aggressor's fighters on the hills around Konjic are fleeing like headless chickens. In the counterattack the fighters of the Bosnia-Herzegovina Army have inflicted heavy losses on the aggressor in manpower and military equipment. Some soldiers of the aggressor's army have been captured. The fighters of the 4th Corps have so far destroyed a tank, a mobile antiaircraft Praga gun, two antiaircraft machine guns and several antiaircraft guns. Large amounts of ammunition, military equipment, and weapons have been captured. Since they are suffering great losses on the Konjic front, the chetniks on the southern part of the theater of operations of the 4th Corps have been pounding all the defense lines and civilian targets with artillery. All the lines held by the Bosnia- Herzegovina Army in the theater of operations of the 4th Corps can be shifted only forward."

Describing the situation overnight on the Brcko front, Hamid Deronjic says that "the Serb aggressor used all the available weapons in the attack on the defense positions and civilian targets on the free territory. The first artillery and tank attacks, supported by fire from antiaircraft guns and machine guns, and snipers were launched in the early evening. The heaviest fire was directed at the central part of the Brcko defense from mortars, tanks, and howitzers, while howitzers also pounded the areas of Vranovaca and Omerbegovaca. At about 2100 enemy howitzers and tanks started shelling heavily civilian targets on the free Brcko territory. The aggressor is hurriedly shifting his infantry from one sector of the Brcko front to another, searching in vain for a soft spot in our defense. Thus, last night the chetniks regrouped toward our positions on the Vranovaca-Boderiste route, but did not dare attempt an infantry attack."

The Teocak Press Center says that "another heavy night is behind us here. Following yesterday's defeat, the Serbian aggressor pounded the free territory throughout the night. The civilian targets on the northeastern part of the front came under attack from several mortar batteries, two hill cannons, a number of antiaircraft guns and machine guns, and mobile antiaircraft Praga guns positioned in the nearby chetnik strongholds of Peljave, Gajici, and (?Turicanovo Brdo). There have fortunately been no casualties so far, and the defense lines of the 1st Glorious Hajrudin Mesic Brigade are unchanged and stable."

Herceg-Bosna Ministry Views Koschinick Attack

LD1309164694 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 13 Sep 94

[Text] The following is a public statement of the defense ministry of the Croat republic of Herceg-Bosna:

As the public has been informed, on the night of 10-11 September a serious incident occurred in the Croat-held western part of Mostar in which a grenade was fired at the residence of the EU Mostar administrator, Hans Koschinick.

In connection with the incident, the defense ministry of the Croat republic of Herceg-Bosna would like to pass on the following information: In the course of an investigation, relevant bodies discovered that this act of violence was committed by demobilized former members of the military police who, in a drunken state, fired a rocket-propelled grenade at the Ero Hotel, the seat of Mostar's EU administrator. The culprits for this terrorist act have been traced down and arrested. Their names and identities are known; however, as the investigation is ongoing, they have yet to be punished. We will inform the public about the names of the culprits and other important details concerning the incident within 48 hours.

Izetbegovic Sees Little Chance for Peace

AU1309163894 Ljubljana OSLOBODJENJE (European Edition) in Serbo-Croatian 8 Sep 94 p 5

[Interview with Bosnia-Herzegovina President Alija Izetbegovic by Mehmed Halilovic; place and date not given: "We Will Have the Future We Deserve"]

[Text] [Halilovic] Soon it will be three years since the aggression against Bosnia started, since the mass arrival of Serb-Montenegrin reservists and troops of the former JNA [Yugoslav People's Army] and the massacre in the village of Ravno. Could you give us a short assessment of the present stage of war and tell us if the chances are greater that there will be peace or that the fighting will continue?

[Izetbegovic] There is little, as far as assessments are concerned, that can be said to be certain. The war has been going on longer than could have been expected. The attacking side is the one that was especially wrong about the forecasts. They counted on a blitzkrieg that would last five to six weeks, with our defeat as the last act. Naturally, we have known from the beginning that this war would last. We knew that any resolution that would be favorable for us would have to be preceded by the establishment of an army consisting of 200,000 soldiers, which takes time. We are now at that stage. A certain balance of power has been achieved. It is not a symmetrical one. We have the advantage in the human factor (numbers and morale), and they have the technological advantage. We have been trying at least to decrease this technological gap, and to a certain extent we have succeeded, but it is not enough. We have managed to neutralize their predominance in armor with modern antitank weapons. What we have not yet found the right answer to is their artillery—especially the long-range artillery. As far as subartillery is concerned, I think that we will soon catch up with them and be able to ward them off.

As far as the other part of your question is concerned, I must, unfortunately, tell you that the chances of peace are not too great at the moment. The responsibility for this is formally and realistically on their side. Clouds are gathering on the horizon. Whether an eastern or western wind will dispel them, or else they will turn into a storm, is hard to foresee. However, the clouds are here, and they do not look good.

The Preconditions for a Change

[Halilovic] The establishment of the state on the liberated territories has yielded different results in different towns. The situation with the implementatin of the agreement on the federation is similar. What are the basic preconditions for these processes to be speeded up?

[Izetbegovic] These processes have been taking place under very difficult, almost abnormal conditions, by which I primarily mean the war. We were creating the state practically while we were being shelled, under various sieges and blockades. The political development has been under the influence of the military situation, and it depended on it. This is the reason there have been discrepancies in the degree of establishment of the state and the federation. The latter greatly or almost exclusively depends on the other partner, the Croat side. After the first successful steps things came to a standstill, and I started to wonder if they wanted this federation at all.

I say "the Croatian side," as if they are one, and they are not. As far as the federation is concerned, I believe they are divided, and I am afraid that they are deeply divided. Namely, there is strong resistance both in the military and political structures of the HVO [Croatian Defense Council]. I think that official Zagreb supports the "federal" group, and this could be the decisive factor. Naturally, where there are emotions, the situation is different. I said at the very beginning that this federation was not a "love- match." I still think that, and, although I do not like marriages of convenience, in this case it is not such a bad thing.

I can only repeat that cooperation and good relations with the Croat corps in general and with the Croatian state are a strategic interest of the Muslim people. This could be my answer to your question. Therefore, the main precondition for the processes of establishing the state on the liberated territories to be speeded up is a sincere and thorough cooperation of all the institutions of the Bosniak and Croat people. This is the condition for further strengthening of our defense, and our negotiating position toward the Serb side.

[Halilovic] In your opinion, are the forces that prevail those that fight for the federation or those that fight against it?

[Izetbegovic] The picture, as I see it, is quite clear. On the Bosniak side the forces that support the federation prevail, while on the Croat side it is vice versa. However, in this matter we cannot neglect the influence of the international public, primarily U.S. and German. If you take into account both this parameter and its influence, then it can be said that the forces that support the federation are stronger, and that, ultimately, even with much hauling and tugging, they will prevail.

A Cruel Test

[Halilovic] The Bosnia-Herzegovina Army has, in the past three months, achieved many limited-range tactical successes. Do you think the Army has entered the stage in which it can achieve a change on the front against the Serb aggressors, or will it be able to do so only if the embargo is lifted?

[Izetbegovic] I think I have partly answered this question. Nevertheless, to be specific: For a strategic change on the ground additional weapons are necessary, primarily artillery. There are various opinions concerning the necessity for tanks. Many believe that tanks would be useful, but not necessary for this change. However, additional weapons need not be conditioned by the lifting of the embargo. From the point of view of armament, this would certainly be the easiest way, but it obviously gives rise to many other serious problems. However, that is another subject.

[Halilovic] We will have the future we deserve. What will it be like?

[Izetbegovic] You expect a forecast from a person who has little faith in such forecasts. Who knows what future lies ahead? Probably the future we deserve. And what kind of future do we deserve? I think that we deserve a good future, that is, that we have earned it. You know that our future was in question. History put us to a cruel test, and we have passed it. They planned to destroy us, and now they are not even thinking about it.

Sometime before last winter I tried to put on paper all the factors that at that moment influenced the immediate future of our country. I was writing them down one by one, and soon there were nearly 30 on the list. Then I tried to determine the specific meaning or the direction in which each of these factors were working. I established that the state or behavior of most of these factors were not at all foreseeable. Naturally, it is not strange that among these unforeseeable factors was, for instance, the winter—long, hard, or mild—but the strange thing is that the same dilemmas appeared about the behavior of a number of influential countries. Their politics looked just as unstable and unforeseeable as the winter that was approaching. Remember just one thing: Who would have believed, before this war, when the so-called new Europe was being created so pompously, that the same Europe would act so cowardly and take the aggression against the country it had just recognized, that it would close its eyes to genocide, concentration camps...? However, this happened, and it is still happening, and we are all surprised. I want to say that making forecasts about history is a very difficult job. There are always a huge number of factors, most of which are either completely unforeseeable or else they are constantly changing.

Nevertheless, it is important that we be an agent, rather than an object of events. In this case, I would like to repeat: We will have the future we deserve, which means it will be a little stormy, interesting, but also good. With God's help, of course.

[Box, p 5]

A Typical Example of Satanic Power

[Halilovic] Is Fikret Abdic now politically dead, or could we expect his resurrection in the Serb hands?

[Izetbegovic] Abdic is clinically dead—you can see that they have been trying to resuscitate him. We have been fighting their attempts for several days. Nevertheless, Abdic's political "resurrection," as arranged by the chetniks, could not be particularly efficient or dangerous, for that matter. What we have been busy with is considering how to get the refugees out of his claws without too many wounds. The fact that among these people there are about 5,000 who are eligible for being mobilized by the army makes the situation more difficult.

[Halilovic] How would you explain the exodus of the people from Velika Kladusa?

[Izetbegovic] Other people have asked me that already. I can only repeat my answer. First, this will remain a typical example of the satanic power the media can have over the human consciousness. Second, the Knin Serbs have been preventing the return of the refugees, the reason for which are the 5,000 people I mentioned. They are asking why they should let go of potential Bosnia-Herzegovina Army soldiers that Abdic has so elegantly delivered to them. Third, there are a certain number of people who sincerely support Abdic, either because this is their belief, or their interest. If you add up these three things, you will get the result you have on the scene.

Croats Boycott Opening of Mostar Bridge

AU1209191594 Paris AFP in English 1843 GMT 12 Sep 94

[Text] Sarajevo, Sept 12 (AFP)—Bosnian Croats on Monday [12 September] boycotted the official opening by top EU official Hans Koschnik of a new bridge linking Moslem sectors of Mostar, 24 hours after a failed bid to kill the EU administrator, Bosnian television reported.

The Bailey bridge, built by British and Spanish military engineers, links the Moslem eastern sector of the city with the Moslem district on the western bank, mainly populated by Croats.

One of the first vehicles across the bridge was a bright red British double decker bus, on a charity drive from London to Hong Kong.

However, the opening ceremony was marred by the absence of Mijo Brajkovic, Croat mayor of the western sector of this divided southern city, and Croat members of the coordination committee within Koschnik's administration.

Koschnik, a former mayor of the German city of Bremen, escaped an assassination bid early Sunday when an anti-tank rocket destroyed his hotel room in the western sector of the city.

A UN investigation into the incident has not been made public, but a western source Sunday blamed the attack on right-wing Croat extremists.

In Sarajevo, the Moslem-dominated collective presidency on Monday condemned the attempt on Koschnik's life and praised the German, the European Union's most senior official in Bosnia-Herzegovina, for his decision to remain in his post.

"Neither the Moslem nor the Croat nation can condone this terrorist act by a group of extremists, who are against the process of returning civilised norms to Mostar," the presidency said in a statement broadcast on state television.

Moslems and Croats fought a bitter year-long war in the historic city during which 70,000 Moslems were crammed into the eastern sector in appalling conditions, with heavy damage inflicted on the buildings.

Although the fighting ended with the signing on March 18 of the federation agreement between the Croats and Moslems, tensions in the city have remained high with each side accusing the other of failing to order their troops into barracks, and on-going rows over water, telephone and electricity supplies.

Muslims Have Expelled 27,000 From Bosnia

LD1209203494 Belgrade TANJUG in English 2024 GMT 12 Sep 94

[Text] Belgrade, Sept. 12 (TANJUG)—Muslim authorities have expelled about 27,000 Serbs from central Bosnia-Herzegovina from February 1 until August 31 this year.

The Bosnian Serb Red Cross and Commission for Refugees said Monday that several thousand Serbs still remain in Muslim-controlled areas of central Bosnia-Herzegovina, the Bosnian Serb News Agency SRNA said.

In an appeal to International Committee of the Red Cross (ICRC) President Cornelio Sommaruga and United Nations High Commissioner for Refugees (UNHCR) Sadako Ogata, the two Bosnian Serb bodies urged that these remaining Serbs be protected, SRNA said.

Serbs in central Bosnia-Herzegovina live under unprecedented torment, they are arrested, abused, robbed, dismissed from work and forced to join the Muslim army, the appeal said.

Prominent Serbs disappear in the night never to be heard from again, the appeal said.

Muslim authorities have been practicing ethnic cleansing for two years, said the appeal.

Muslims separate families, abuse women and children. They do not allow men aged from 16-65 to leave territory which is under their control, said the appeal as quoted by SRNA.

Tudjman, Izetbegovic Discuss Bilateral Relations

LD1309203694 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 13 Sep 94

[Passages within quotation marks recorded]

[Text] The talks between Croatia and Bosnia-Herzegovina at the highest level will be resumed tomorrow. The leaders of the two sides, Croatian President Franjo Tudjman and Bosnia-Herzegovina Presidency President Alija Izetbegovic, said this after the meeting this evening. Andjelko Perincic prepared this report.

[Perincic] The Croatian president was the first to reveal the topic of this evening's talks in Zagreb:

[Tudjman] "The talks between the two delegations focused on all open issues concerning the implementation of the Washington agreement on the setting up of Bosniak-Croat Federation and a confederation with Croatia. The meeting was frank. We reached a high degree of accord. The talks will be resumed tomorrow and we will issue a statement then."

[Perincic] The president of the Bosnia-Herzegovina Presidency said a little more:

[Izetbegovic] "We discussed the implementation of the federation, which means the problems of opening roads, forming the government, setting up municipal bodies of authority, cooperation among firms within Bosnia-Herzegovina, cooperation between Bosnian and Croatian firms, the problem of customs, and draft agreements between the Republic of Croatia and Bosnia-Herzegovina."

[Perincic] The Croatian president then felt the need to add:

[Tudjman] "We also discussed the very important issue of forming a joint command and reaching an agreement on diplomatic missions and so on."

Tudjman, HDZ Hold Additional Talks

AU1409104994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 14 Sep 94

[Report by Nada al-Isa from Zagreb]

[Excerpts] This afternoon the top-level talks will continue between Croatia and Bosnia-Herzegovina on the implementation of the Washington Agreement, overall relations between the Republic of Croatia and the Republic of Bosnia-Herzegovina, the Contact Group plan, and other current issues. [passage omitted]

It is hard to say how much was achieved in yesterday's talks. The two presidents gave very brief and cautious statements on the talks being open and constructive. Is there agreement on the topics discussed?

All the reporters at the Zagreb talks carried in their reports one detail very interesting to them. President Alija Izetbegovic of the Bosnia-Herzegovina Presidency was, everyone noticed, inclined to say a few more things to the reporters last night other than that the talks on the federation and confederation, on the opening of roads, on customs were constructive and open. However, Croatian President Tudjman interrupted President Izetbegovic then, saying—and I quote—Do not let yourself be provoked by them. Let us leave something to tell them tomorrow.

The two presidents announced yesterday that the talks would be finished today, and that a joint statement would be issued. Another thing that I have found out unofficially, but from very reliable sources, is that after last night's talks between the state delegations, Croatian President Tudjman kept the leadership of the Croatian Democratic Community of Bosnia-Herzegovina in a special meeting, one could say, for additional talks. We have not found out what he told them, what they discussed, but the holding of this meeting is very significant.

Foreign Minister Granic on Current Developments

AU1409114594 Zagreb VJESNIK in Serbo-Croatian 4 Sep 94 pp 8-10

[Interview with Dr. Mate Granic, deputy prime minister and foreign minister, by Aleksandar Milosevic and Zoran Vodopija; place and date not given: "Croatia Is the Key to War and Peace"]

[Text] [VJESNIK] Lately there have been various assessments of Croatia's international position. Some say that our position in the international community is better than ever, while others claim that Croatia is on the margin of international events. What is your opinion of both these positions?

[Granic] The current position of the Republic of Croatia is certainly better than it has ever been; it is being consolidated. However, there are certain things that should be considered clearly. People are forgetting that Croatia is not in a vacuum, it is not an isolated island that events from its close and wider surroundings do not reach. It should be borne in mind that there is a superpower, that there are great powers, that there are important international forces and international politics, and that all these interests, which often conflict, meet here. In spite of all the above, no one can bypass Croatia in the resolving of the crisis in these areas. Croatia is an important factor of war or peace in the region, and without acknowledging its interests, especially regarding the resolving of the problem of the occupied areas, there are no chances of a permanent and just peace in these areas.

[VJESNIK] It is evident that in this environment Croatia relies on several influential friends where its foreign political moves and steps are concerned, primarily on Germany and the United States. What about other countries and regions, for instance the countries of Central Europe, the Islamic countries, or the economically developed countries of the third world, the nonaligned countries?

[Granic] It is logical that we should rely on the United States as the most powerful political force and the only real superpower at present, and on Germany, which was the first to realize the seriousness of the crisis in these areas. At the same time, we have very close and frequent contacts with all the neighboring and Central European countries. Relations with the European countries are especially well developed, as the European integration processes are one of the basic strategic interests of Croatian foreign policies. That does not mean that we do not wish to promote our relations with everyone, especially the countries with which economic cooperation is very important to us.

However, in all this it should be borne in mind that Croatia is no international power; we are a small country with less than 5 million people, which is also a fact that in a way determines our relations with the world and the world's relations with us.

Our Position, Clear and Firm

[VJESNIK] You mentioned many meetings with the officials and statesmen abroad. In the light of these meetings, how would you assess the political and military situation in the region, particularly on the territory of the former Yugoslavia?

[Granic] The basic conclusion is that the Republic of Croatia, with its economic program, curbed inflation, market economy, joining the European associations, accepting all the international mechanisms and standards, and the desire to coordinate its politics with the important international factors, is at present a country that is believed to be able to resolve its fundamental problem through a peaceful process of reintegration of the occupied territories. This is the message we have received from the United States, the European Union, all the neighboring countries, all the Scandinavian countries, and many of our friends from other parts of the world. However, it should be remarked that nothing will happen if Croatia does not carry out active policies both toward all these countries and the Security Council.

On the other hand, as far as Bosnia-Herzegovina is concerned, the solution has not been found, primarily because there has been no way to stop the Serb aggression and force Milosevic to accept a rational solution. The latest Contact Group plan is, naturally, a compromise. However, this is the proposal around which the international community has for the first time united. Since the Bosniaks and Croats have accepted it, there were, to our knowledge, two resolutions prepared. One concerned the suspension of the sanctions against the so-called FRY if Milosevic forces the Bosnian Serbs to accept the Contact Group peace plan, and the other the possibility that they may reject it. The new stage is that Milosevic has accepted the plan in principle and supported it, while Karadzic and his lot have refused it.

Milosevic's acceptance of the plan should be welcomed, but it should also be clearly stated that this is not enough, and that he must finally take a position concerning the occupied territories of Croatia. It is not enough when he says that he supports the negotiations between the local Serbs and the Croatian Government, and only concerning the economic issues. It is necessary that he accept the observers at the border between Serbia and Bosnia, as well as control and observers at the border between Serbia and Croatia, and along the border between Croatia and Bosnia- Herzegovina. Moreover, Croatia demands unconditional mutual recognition between Croatia and the so-called FRY. This is in accordance with the proposal of the Contact Group ministerial meeting and the decisions of the Naples summit of the seven most developed countries.

In return, Croatia is prepared to discuss the quality of the local self-management of the Serbs in the so-called UNPA's, and everything guaranteed by the Constitutional Law on the Rights of Minorities and Ethnic Communities. The new Croatian proposal was presented during the talks with the German vice-chancellor Kinkel. We said that we would establish a human rights court without any conditions, and in compliance with our constitutional law.

The Milosevic-Karadzic dispute concerning the acceptance of the Contact Group peace plan has, however, reflected on the relations within the group. Russia has, largely because of its internal situation, launched a fierce campaign for rewarding Milosevic, without the issue of the observers at the border between the so-called Yugoslavia and Bosnia-Herzegovina having been resolved. Having learnt from previous experience, we believe that only a real change on the ground can be a criterion. We therefore do not agree with the Russian position, as we have clearly said to minister Kozyrev. The Western members of the Contact Group have similar positions.

A compromise will probably be reached. There will probably be a third resolution that will promise Serbia the suspension of the sanctions if it accepts observers at the border. In the past few days Russia has therefore been trying to impose a monitoring mission at the border between Croatia and Bosnia-Herzegovina, but primarily at the border between Croatia and the territory that is now part of the Bosnia-Herzegovina federation. We will not accept that. We will accept the monitoring if it means control of all the borders of Bosnia-Herzegovina, and the border between Serbia and Croatia. This is our position, clear and firm.

There is another important element that should be pointed out. If the arms embargo on Bosnia-Herzegovina is lifted, the geostrategic situation on the ground will change completely, which mere fact will put the Bosnia-Herzegovina federation—and Croatia, which strongly supports it—into a new position. Both Milosevic and Russia are well aware of that. There have even been statements that in this case Russia would unilaterally lift the sanctions against Serbia.

Therefore, the homogeneity of the Contact Group has been shaken, and it was the only thing that could guarantee the implementation of the peace plan. Perhaps this did not happen by chance: In such circumstances the importance of certain members of the Contact Group is diminished, and the general answer that could be reached at the upcoming meeting between Clinton and Yeltsin becomes more prominent. We must bear in mind all the possibilities, including this one. This is why we will keep insisting, through the UN and by asking for the strong support of the Islamic and all the neighboring countries, that the Contact Group plan be imposed. With this aim, our delegation will attend the meeting of the Conference of the Islamic countries in Islamabad, where ambassador Zuzul will, as President Tudjman's special envoy, appear in coordination with the Bosnia- Herzegovina delegation headed by prime minister Silajdzic.

We are expecting Mr. Holbrooke, the new assistant U.S. state secretary for Europe, to come to Zagreb within the next few days. Moreover, presidents Tudjman and Izetbegovic will meet in Zagreb before leaving for New York.

I have already said that with the lifting of the arms embargo in Bosnia-Herzegovina and the announced withdrawal of the French, English, and Canadian UNPROFOR units, the strategic position of the Bosnia-Herzegovina federation would change very much. In this case the possibilities of the war spreading outside the borders of Bosnia-Herzegovina are also great, and a completely new situation would arise in the UNPA's. Naturally, Croatia has no mandate for a military operation for liberating the occupied areas, but if the war continues to spread in Bosnia-Herzegovina, then the strategic aims and relations will change. This is why I pointed out at some of the meetings that 15 and 30 October, by which dates President Clinton is expected to make the decision concerning the arms embargo in Bosnia- Herzegovina, are so important. Therefore, if the Bosnian Serbs do not accept the Contact Group plan, and Milosevic does not manage to remove Karadzic from his position and change the balance of power in the Serb-controlled part of Bosnia-Herzegovina, the possibility of the war spreading will increase.

Probably a Real Conflict

[VJESNIK] According to the latest news, Milosevic has allegedly consented to between 300 and 400 observers. The Western estimates say that the control of the border would require 5,000-10,000 soldiers. Therefore, the entire affair revolves around those 300 to 400 observers, and is exhausted there, while it is known in advance that this figure is by a long way inadequate.

[Granic] We must distinguish between two things. The monitoring of the border is one thing, and the control of the border is another. To control the border it would probably take over 10,000 people, while monitoring anticipates only controlling the border crossings in order to prevent mass traffic of army, weapons, ammunition, and other strategic raw materials. According to the reports we have, Milosevic has consented to the so-called "selected observers", and he demands that they be Russians and Greeks. The Croatian response will be that we also demand "selected observers" for the Croatian border. We will especially insist on the observers being at the part of the Croatian border at which the so-called UNPA's border with Bosnia and Serbia, and Montenegro.

[VJESNIK] Many commentators and analysts agree in the opinion that the present conflict between Milosevic and Karadzic is the first real breach between Belgrade and Pale, and that it was not simulated as were the former ones. Should we believe in this conflict, or do Croatian politics have certain reservations about it?

[Granic] This is probably the first real conflict. However, we have information from international sources saying that during the conflict military aid to the Bosnian Serbs was being sent in large quantities. Croatia is very cautious and reserved about the scope of this conflict. This is why we demand observers at the border.

[VJESNIK] Minister Granic, what about the Bosniak-Croat relations in Bosnia-Herzegovina following the Washington Agreement? Are you satisfied with what has been achieved on the way toward federation, and, in the future, the confederation? What are the obstacles and the reasons for this being a slower process than was expected?

[Granic] I would say that after the signing of the Washington Agreement there were several stages. First there was the stage of great enthusiasm, which led to all conflict being halted. All the prisoners were released too, which was the take-off stage. Then there was stagnation, but lately, especially after President Tudjman visited Bosnia-Herzegovina, we again have a take-off process. There are no more dilemmas at the top political levels about the need for the further development of the Bosnia-Herzegovina federation. Mr. Koschnick's arrival and his taking over the position of administrator of Mostar on behalf of the European Union is also very positive.

There is some individual resistance, but it should be noted that this resistance is present on both sides. There have been actions that do not serve the purpose of promoting relations between the Bosniaks and Croats, but the basic process can no longer be stopped. It is tied by the strong strategic, economic, and political interests of both peoples. I believe that President Izetbegovic's visit to Zagreb, and the meetings at the levels of prime ministers and foreign ministers will mean that the processes are to continue.

What I see and what worries me is that many Croats are still moving out, and that there are many who are not prepared to return to the areas from which they moved. Croatia's help to those people must be more substantial and better organized. For instance, there are no well-organized construction or reconstruction projects in the territories inhabited by the Croats, except for the hospital construction project at Nova Bila. Apart from humanitarian aid, there are no continued actions. Personally, I believe that the most important thing is powerful active aid to the Bosnia-Herzegovina federation, especially to the Croats. This is a global process that will surely progress and develop.

Zagreb-Belgrade

[VJESNIK] The painful episode concerning the disintegration of Abdic's mini-state in the state of Bosnia-Herzegovina is a new test for Croatia, the international community, and relations between Zagreb and Sarajevo. What are the chances of all the tests being passed and the sad situation with the refugees at Turanj ending?

[Granic] As you can see, Croatia has made several important decisions. First it made the decision to close the borders for the refugees, but with considerable humanitarian aid and political engagement aimed at the refugees' returning. The territory of western Bosnia has a strategic interest for Croatia. It is in our interest that Martic or Karadzic's troops do not get there. Apart from several thousand Croat refugees from the occupied territories of Croatia who settled there, this was another reason for helping the people from the region.

After the signing of the Washington Agreement, President Tudjman encouraged the organizing of the meeting between Mr. Abdic and Mr. Silajdzic, or some other political official from Sarajevo. I also conducted individual talks on several occasions with the aim of facilitating such a meeting. Both sides were inflexible. Still, Mr. Abdic was completely unrealistic in assessing his own situation—from the first to the last day.

For the aforementioned reasons, it is still in Croatia's interest to help the people of western Bosnia, although some 30,000 refugees who have recently arrived from there are still under the great influence of Fikret Abdic. We therefore cooperated with UNPROFOR, the Sarajevo government, and the U.S. ambassador Galbraith, in efforts to provide the return of these people. Our aim was to have the government in Sarajevo prolong the amnesty for western Bosnia, to have the army withdraw from Kladusa, and to have the presence of UNPROFOR and all the humanitarian organizations made possible without any preconditions. We demanded that a refugee center be organized, so that they could return there and not be mobilized for the army within six months. We also demanded that humanitarian aid be organized, and that the situation gradually be normalized. Our aim was to return the people with complete security. We also wanted to make it possible for Abdic to be present at the elections when they are held.

Since all these efforts were not sufficient, at a certain point Mr. Sergio de Mello and ambassador Galbraith suggested to the Croatian Government that they talk to Abdic and that a joint effort be made to try to convince him that the only rational step was the return of the people, with full guarantees of safety. We organized this meeting with Mr. Sarinic and the others, and Fikret Abdic discussed these proposals in Zagreb twice. It was clearly stated on these occasions that we would under no circumstances allow the mass of refugees to enter Croatia, because we could take no more.

Awaiting a solution, on Thursday, 1 September, Croatia made the decision to double the humanitarian aid for the refugees from western Bosnia. Over 130 people have been put into the Karlovac hospital; most of them are children, but there are also adults. The fact that we permitted transit to those who had all the papers and permits to travel to third countries does not in any way change our strategic aim, which is to help the people return. In this we are not forgetting that it is necessary to provide all possible protection.

[VJESNIK] In the future, when the traumas of war are suppressed in the subconscious, the relations between Zagreb and Belgrade will be of key importance to the peace in these areas. Part of the opposition and the Croatian public believe that Croatia was too rash in opening the office in Belgrade, that is, the FRY office in Zagreb. What is your view of these opinions?

[Granic] The normalization of relations between Zagreb and Belgrade is one of the aims of Croatian foreign policies. Naturally, this is connected to the resolving of the issue of the occupied territories. That there will be no peace in the region without normalization of relations, is something all the neighbors, the European Union, the United States, and the Russian Federation have pointed out to us. However, the step that was made was made exclusively on the level of reestablishing certain communications, resolving many humanitarian issues, and giving the Serb public the chance to learn about the Croatian positions and politics in a realistic way. If this activity of the office and the people who work in it is taken into account, we can be satisfied. Moreover, it should be stated that there is a large Croat community in Vojvodina and in Belgrade, and that it is extremely important for this community that this office has been established. However, that in no way prejudices the overall positions and relations between Croatia and Serbia.

As we are on the subject of normalization of relations, I must say that regardless of all the suggestions we have received from the outside, of which there were many, the meeting between presidents Tudjman and Milosevic will not take place before there is mutual recognition or before the conditions are met for the documents on mutual recognition to be signed at this meeting.

Where Is the End to Giving in?

[VJESNIK] It has been clear for a while that the international community is not keen on defeating Milosevic in the military aspect, but to find an "honorable way out" for Serbia, and keep it as an important force in the Balkans. Now things are being taken further, so it has been demanded that the sanctions be lifted or suspended, a demand that is opposed only by Germany and the United States. There is a wish to procure this before the so-called Yugoslavia has even offered anything in return, unless by this we mean an uncontrolled blockade of the Bosnian Serbs. Where is the end to giving in, and is all this not at the expense of the guarantees for Croatia that it will retrieve the occupied territories? What will remain as the means of pressure on Belgrade if the sanctions are loosened, if the lifting of the arms embargo in Bosnia-Herzegovina is abandoned, and all that remain are meaningless air strike threats? How important is 15 October—Clinton's deadline for Milosevic—in all this?

[Granic] You have partly answered the question. Croatia will fight firmly and actively for the sanctions to be tied to the situation in the UNPA's. For the time being, we have the support of Germany and the United States in this. I agree with you that this fatigue of the international community, primarily Russia, is such that they are prepared to enter important compromises with Milosevic. However, there is a powerful counterpoint here. It is the realization that there can be no peace in these areas without Croatia, and there can be no peace unless Croatia reintegrates its occupied territories. Therefore, the lifting of the sanctions would put the entire region into a new situation. In that case, Croatia would have to think in another way, it would have to seek the most efficient ways to protect its interests.

[VJESNIK] The occupied Croatian territories are part of internal politics, but it is obvious that we will not be able to retrieve them without the help of the international community. What is your assessment of the situation in this respect, as this will obviously be a long process, bearing in mind the fact that the military option is not advisable for various reasons?

[Granic] We are facing the end of another UNPROFOR mandate, and we will firmly demand that the Security Council provide several basic points. The most important are to continue to tie the sanctions, the monitoring of the borders, the gradual fulfillment of the Security Council resolutions and the Zagreb Agreement, and the start of the pilot program of the return of the refugees. We will demand that oil exploitation at Djeletovci be controlled, and that the communications be established. This is the framework. I should also say that many have pointed out, including the great powers, that October is even more important for Croatia.

We will firmly insist that the international community take positions—not concerning the guarantees for territorial integrity and the legal formulation, as was the case with Resolution 871, but the active process of reintegration. I emphasize, the active process. The international community must stand by that. In that case Croatia will firmly support the peace option, but we will also keep up with the development of the situation and we will not allow any surprises to occur. At present we are working on the agenda item concerning the situation in the occupied territories of Croatia to stand before the UN Assembly, and there are good chances that this will happen.

The UNPROFOR Mandate

[VJESNIK] The extension of the UNPROFOR mandate is indisputably an important issue, but to what extent is it a realistic instrument for the Croatian efforts to encourage the return of the occupied territories under Croatian sovereignty? To what extent is it possible that there will be an efficient change of the UNPROFOR mandate from peacekeeping to that of peace-making? Will Croatia cancel the hospitality to UNPROFOR if there is no change of mandate?

[Granic] It is true that the present mandate is not sufficient to fulfill all the Security Council resolutions. However, not everything that was possible has been done within the present mandate either. Aware of reality and the international relations, we will therefore, coordinating our actions with the United States and other Security Council members, demand a new resolution in which the demand for border control will be emphasized. Why will we demand that? The current processes in the UNPA's are heading toward integration with Belgrade. This can be seen in the area of customs administration, telecommunications, education, monetary system, and military aid. The volunteers and officers from Serbia come to the UNPA's, while the young men from the UNPA's do their military service on the territory of the so-called FRY. We will demand that this process be stopped.

[VJESNIK] Let us return to our immediate surroundings. What can you say about the relations between Croatia and Slovenia?

[Granic] These relations have again become strained. I gave a statement on this at the last Government session. The issue is the so-called constitutional law passed by the Republic of Slovenia, through which all the debts that Ljubljanska Banka had toward the savers from Croatia are put into the package of succession of the former Yugoslavia. With this, Slovenia practically abolished Ljubljanska Banka and Mariborska Banka, in which savers from Croatia also kept part of the capital, it founded new banks, and Croatia, that is, the savers from Croatia, have suffered several hundred million German marks' damage. This unilateral action has certainly had a negative effect on overall Croatian-Slovenian relations. If there is a desire to establish good-neighborly relations in the resolving of all the disputable issues, then there must be no unilateral moves and decisions, especially as the geostrategic position of Croatia and Slovenia directs them to cooperation.

The problem is, evidently, how to resolve the issues that emerged with the disintegration of the former Yugoslavia, among which are all the disputable issues—from Ljubljanska Banka and the nuclear power plant in Krsko to the issues concerning the determining of the border between the two countries.

During the past two meetings of the state delegations significant progress was made with relation to certain issues. Croatia presented certain compromise proposals, and if the most greatly disputed issues are not resolved in the future talks, we are prepared to go for international arbitration.

[VJESNIK] Minister Granic, thank you for this interview and for your time.

[Granic] Thank you.

[Box, p 8]

A Pastoral, but Also a Political Event

[VJESNIK] There has been much speculation in the public about whether the pope's visit to Croatia has more of a pastoral or political significance. What is your view of the upcoming event?

[Granic] Each of the pope's visits is a pastoral act, including this visit to the Catholic Church in Croatia. However, we must say that the pope could have chosen another anniversary, or found another reason to come to Croatia. It is therefore our opinion that the moment at which he is arriving in Zagreb is very important. Therefore, as much as this is an important pastoral act, it is also a special political event. The message of the pope's visit is a message of tolerance, it is a condemnation of all crime, a strong civilizational message of peace, and a historic event for Croatia, for all the Catholics and all the citizens of Croatia.

I have had the good fortune to talk to the pope on two occasions. Both times he expressed the hope and faith that the conditions will be met for him to visit Zagreb and Sarajevo and bring the message of peace. The pope has fiercely condemned all the crimes perpetrated in the war in these areas, the ethnic cleansing, and all acts of terrorism. This moral strength and authority are a strong support and encouragement to the forces of peace, reason, and tolerance. He, let us say it openly, has provided strong support to Croatia since the beginning of its political struggle for independence and sovereignty. His recognition of Croatian independence was extremely important, and it took place in the crucial moment of recent Croatian history.

Pope John Paul II has always been close to the Croat people, and he has always believed in its firm ties with the Holy See. In short, this is equally a deeply pastoral, political, and civilizational act.

[Box, p 9]

Important Meetings in New York

[VJESNIK] In late September President Tudjman will go to New York, where he will take part in the activities of the UN General Assembly. What will he talk about before the delegates of the world organization, and with whom will he meet during his stay in the United States?

[Granic] President Tudjman and the Croatian delegation's visit to New York will certainly be an extremely important event for the Republic of Croatia. During that visit the decision concerning the UNPROFOR mandate will be made, and, more importantly, the approach to the resolving of the problem of the occupied territories in Croatia will also be discussed.

During the visit to New York there will certainly be meetings and talks with the president of the Security Council and members of the Security Council, with Secretary General Butrus-Ghali. Moreover, the President will have many meetings with other heads of delegations. Some of these talks will be held at the lunch that the Secretary General will hold for 15 heads of state and prime ministers, at which our president will be together with the U.S. president Clinton and the Russian President Yeltsin.

Other members of the Croatian delegation will also have many meetings in New York. At the moment I have some 15 meetings arranged—with my colleagues, foreign ministers, from all over the world. In short, we expect the participation of the Croatian delegation and President Tudjman's speech at the fall session of the UN General Assembly to be another confirmation of Croatian foreign policies and its firm position in the world.

[Box, p 9]

Persistently With the Stabilization Program

[VJESNIK] The Government you are member of has been working for 500 days now. Lately there have been speculations about changes in the Government, and about the position of the Government not being as firm as it seems. Could you tell us more about this?

[Granic] I can tell you that this Government has been carrying out its tasks successfully. The implementation of the stabilization program is going as planned. In this we have the strong support of the international forces, too. The relations within the Government are good, we are all part of one team, which is also a factor of stability. There will be no dramatic changes. Reconstruction can be expected in certain departments, but the key departments will not undergo any changes. Some new people will arrive to make the Government stronger. I would like to emphasize that the Government will persist with the program of economic stabilization, and that in this we have the support of all the relevant forces—from the president of the Republic to the Parliament.

Mostar Police Officials Fired After Hotel Attack

LD1309153594 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 13 Sep 94

[Text] The interior ministry of the Croat republic of Herceg-Bosna has decided to relieve of duty Zdenko Klepic, former head of the Mostar police station. Davor Vidovic has been appointed new head of the police station. Mladen Alpeza, former under secretary of the European Union [EU] police for Mostar, has also been relieved of his duties and replaced by Viktor Stojkic. These personnel changes followed a review of the current security situation in the city in connection with the attack on the Ero Hotel, the seat of the EU administration, a statement of the interior ministry of the Croat republic of Herceg-Bosna stresses. The statement was signed by minister Valentin Coric.

Bosnian Serbs Launch Attack on Zupanja Area

LD1309192494 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 13 Sep 94

[Text] The residents of Zupanja [in eastern Croatia] had to go to their shelters again this evening when the Serbs from Bosnian Posavina launched an artillery attack at 1940. Ten large-caliber projectiles hit the town, causing huge material damage. According to the reports received so far, there have been no casualties.

One tank shell also hit the neighboring village of Bosnjaci this evening.

UN Describes 'Precarious' Refugee Situation

AU1309164594 Paris AFP in English 1617 GMT 13 Sep 94

[Text] Zagreb, Sept 13 (AFP)—The situation for some 20,000 refugees who fled the Bosnian town of Velika Kladusa after it fell to Bosnian Government troops remains precarious, the UN Protection Force (UNPROFOR) warned Tuesday [13 September].

The refugees fled the former stronghold of dissident Moslem leader Fikret Abdic last month and sought refuge in Croatia.

The UNPROFOR said about 11,000 of them have been placed in a refugee camp in Batnoga, less than 10 kilometres (six miles) from Velika Kladusa, and the rest in a camp in Turanj, about 30 kilometres (18 miles) further north.

The main concern for the refugees in Turanj is the fact that many of them want to move to unoccupied buildings in the area, but many of these buildings are mined and "there have been casualties," the UNPROFOR radio in Zagreb said.

It said UN troops have tried to remove as many of the mines as possible but "there is still grave danger for everybody in the area."

The radio added that the sanitary situation in the Turanj camp was also unsatisfactory although the refugee's basic health needs are met.

It warned, however, that the sanitary situation in the Batnoga camp was critical and could spark a disease epidemic.

It said the refugees were living in the hangars of a former industrial poultry breeding company, with 350 of them crowded into each hangar and sleeping on cement floors without running water or any other sanitary facilities.

Official Views Plight of Kladusa Refugees

AU1309143894 Split SLOBODNA DALMACIJA in Serbo-Croatian 30 Aug 94 p 5

[Interview with General Mladen Markac, deputy minister at the Ministry of Internal Affairs, by Jasna Plevnik; place and date not given: "The Extremists Have Been Inciting the Refugees to Break Through!"]

[Text] The checkpoint at Turanj has been completely blocked for days. Armored personnel carriers, barricades, and Ministry of Internal Affairs special units are on the road to prevent the possible forceful refugee breakthrough to Karlovac. Strict control measures are implemented in the area, while the people of Turanj and the refugees have been asked not to go to their houses so that the situation does not become even more complicated. Before he started inspecting the somewhat apocalyptic area, we talked to assistant minister at the Ministry of Internal Affairs, General Mladen Markac.

[Plevnik] What are the main reasons behind this police action?

[Markac] After Dubravko Derk, head of the Karlovac Police Department, estimated that we would not be able to respond to a possible forceful refugee breakthrough to the free Croatian territory, Minister Jarnjak decided to inspect the area with his assistants. He decided that joint forces of the Ministry of Internal Affairs be brought here, their main task being to act preventively, and to create the conditions that would prevent the possible forcible refugee breakthrough. The Ministry of Internal Affairs has provided the basic and special units to help the Karlovac Police Department.

Having inspected the area, we established that there is much still to be done, as there are uncleared mine fields left and right of the checkpoint. We established that we would not be able to keep the refugees away only with physical force, so we started blocking the narrow area we believe could be broken through. We have done everything permitted by the law and everything considered to be permitted police methods. Everything that has been done has been done exclusively for preventive purposes.

[Plevnik] Since more refugees keep arriving into the "blue zone," and there is information that 35,000 more refugees could be sent from the Batno reception center to the separation zone at Turanj, is it possible for the refugees to break through to the free Croatian territory?

[Markac] We believe that at the moment this is almost impossible, although there is one possibility—there are very many women and children here, and, if the refugees are not able to break through the UNPROFOR checkpoint, which has been blocked by armored personnel carriers, they could get off the road and into the mine fields, which would create an undesirable situation. Another factor we find rather critical is the fact that the people who are in the separation zone cannot return, as there are forces that have accumulated behind them.

The moment UNPROFOR establishes its checkpoint, we would withdraw the police forces and open the road for the transport of people and material and technical equipment, because there has been no traffic there since the firm blockade system was established.

No Incidents So Far

[Plevnik] You have had several meetings with UNPROFOR regarding this. What have you arranged, and what was their reaction to what has been happening?

[Markac] We think UNPROFOR has a positive opinion of our efforts. We have had several meetings, including with General Tayeb, UNPROFOR commander for Croatia. Our positions on the issue are the same, and the only issue is the task that UNPROFOR can and must fulfill. Will they be able to do so with the forces they have? Minister Jarnjak talked to general Tayeb here in Karlovac, and it was established that the positions regarding the solution to the problem were almost the same. At the moment, we are also faced with the problem of between 1,000 and 1,500 of Abdic's armed men who are in this mass of people, carrying small arms in public, which means that they probably also have other weapons, too. This is what we are afraid of—uncontrolled shooting, which could cause casualties on both sides. We asked UNPROFOR to disarm these people in the area of their responsibility. These people wear the same uniforms as the Chetniks, which is contrary to the Zagreb Agreement.

[Plevnik] How can UNPROFOR be expected to do such things when statements have been heard that they do not have the mandate to send people back by force and "empty" the so-called blue zone?

[Markac] UNPROFOR has failed to carry out its tasks properly, because the refugees have broken through the UNPROFOR checkpoint. The area in which the refugees are now is exclusively under the control of UNPROFOR, and if anyone is to resolve that problem, it is UNPROFOR.

Another problem is that the extremists among those people have been inciting the people to go to the free part of Croatia. This makes dealing with this dramatic situation more difficult for us. On the other hand, UNPROFOR has been negotiating, and working toward the refugees returning to Kladusa. The Croatian Government's position is well known, and that is why we have engaged such a large number of people. What we have done was not anticipated by the Zagreb Agreement, and it is difficult to work here now: on the one hand, we must and want to abide by the Zagreb Agreement, while on the other we must be as efficient as possible in order to stop this mass of people—the estimates are that there are between 25,000 and 40,000 people there. It takes great force and technology to stop such a large number of people. Moreover, UNPROFOR is afraid. If this powerful a mass of people were to start breaking through, the Croatian police would protect UNPROFOR at the checkpoint just as it would their own forces.

I must say that so far there have been no incidents between the refugees and the Croatian police. We have been helping take care of the sick, and we have entrusted UNPROFOR with the logistics, that is, the supply with milk, bread, and the like, but through Moscenica. If we were to open the checkpoint just a little, there would be a hole through which the refugees would start pouring in.

UNPROFOR's "Hot Chestnuts"

[Plevnik] Some people feel that the present situation in the "blue zone" in a way suits the aggressor.

[Markac] We believe it does, as there is currently a buffer- zone being created between the forces of the Republic of Croatia and the aggressor forces. We fear that among this great number of refugees there is a certain number of infiltrated Serb paramilitary formations. We are afraid that some of the demolition-terrorist groups may infiltrate through the refugees.

UNPROFOR's task is to resolve this situation in the separation zone.

[Plevnik] With all the professionalism, are you touched by the tragedy of the refugees from Kladusa?

[Markac] This is not an action of violence, but of negotiations and prevention aimed at doing everything to protect the lives of people in the best possible way. You must realize that at the frontline there are wires, barricades, and dugouts, and in front of us are women and children, and this is a tragic situation with which we sympathize as members of the police force of the Republic of Croatia. We want to act in a humanitarian way, but the extremists on the other side do not want good for those people, because they are trying to push them into a violent action.

We are all careful, and UNPROFOR is in a bad position, as are we, but the "hot chestnut" is in their hands. They have let the refugees pass through their checkpoint, and they should find the solution soon, as waiting makes the situation even more severe, especially for UNPROFOR. We have not violated any humanitarian rights or the professional code of behavior.

We have been planning our actions together with General Miljenko Crnac, commander of the Karlovac regional corps of the Croatian Army. If the situation were to become very complicated, we have the army in our second echelon. We are also in touch with the civilian authorities of Karlovac.

Tudjman Speaks at 'All-Croatian' Trade Fair

LD1309163594 Zagreb Radio Croatia Network in Serbo-Croatian 0835 GMT 13 Sep 94

[Speech by President Franjo Tudjman at opening of 70th Zagreb International Trade Fair—live]

[Text] Ladies and gentlemen, esteemed hosts, participants, guests and visitors to the Autumn Zagreb International Trade Fair: As this autumn international trade fair is being held during the celebration of the 900th anniversary of Zagreb, it is worth recalling a few facts. The tradition of holding fairs out of which this trade fair has developed runs in parallel with the beginnings of the history of the host town. That is, the accounts and records of the first royal fair date from the same year, 1094, as the anniversary which we are celebrating this year. This tradition was raised to a national level in 1864 with the holding of the first Dalmatian-Croatian-Slavonian trade exhibition organised by the then guild of trade and crafts and the Croatian-Slavonian economic society. This tradition was continued in the business sense with the founding in 1907 of the Zagreb Exhibition, which in 1925 became a member of the founding union of international trade fairs. After the Second World War the communist powers, in their lack of concern for maintaining positive Croatian traditions, changed the name of the Zagreb Exhibition in 1946 to the Zagreb Trade Fair.

These facts remind us that this year's exhibition at the Zagreb Trade Fair actually forms a part of the celebrations of the 900th anniversary of Zagreb and also marks the 130th anniversary of the first all-Croatian trade exhibition. It also bears witness to the fact that Zagreb kept pace with, as Director Pavelic mentioned, and was even ahead of other famous international trade fairs in West European countries, including the largest and most famous in Padua, Lyon or Barcelona, Leipzig, Frankfurt or Dresden, or even Vienna, Budapest and Milan.

The holding of shows and exhibitions, despite more or less unfavorable circumstances in individual periods of history, has always served both the economic and cultural development of Zagreb as it developed into the political and cultural centre of all Croats and—no less importantly—the comprehensive integration of all the until recently divided Croatian lands into a unified spiritual, political, and economic whole.

Up until the establishment of an independent and sovereign Croatian state in our times—the recent year of 1990—the Zagreb trade fair did not have the most favorable conditions in which to operate. Furthermore, it was thwarted and limited, especially in the era of socialist Yugoslavia, and there were attempts to abolish it, because it was said that it was not necessary in the wake of the new fair constructed in Belgrade.

This move was prevented by a decisive step taken by Zagreb Mayor Vjeceslav Holjevac, who in 1956 took it upon himself, with the assistance of Zagreb businessmen, and against the wishes of the Croatian communist leadership, to move the Zagreb trade fair to this area beyond the Sava. Vjeceslav Holjevac was, for this, subjected to political investigation by the then federal authorities in Croatia, but he stuck it out at the time thanks to the fact that he was supported by Croatian communists in the top leadership of the Yugoslav federation.

Once it was moved to this area beyond the Sava, the Zagreb trade fair began to expand, taking off in the 1960's. Of course, in the last four years, since the establishment of a sovereign Croatia in 1990, the Zagreb trade fair [words indistinct].

This year's trade fair event is a sign of positive trends in the Croatian economy as well as a sign that the business community is interested in Croatia and that it wants to estabish its presence on the Croatian market and cooperate with Croatian firms. We are going to do our best to help the positive trends in the economy continue as fast as possible, so Croatia can, as soon as possible, join the group of free-market countries in every aspect.

When assessing our current economic situation, we should bear in mind not only what we inherited from the former socialist system and the former state but also the kind of consequences stemming from the Yugo-Serbian aggression against Croatia and Bosnia-Herzegovina.

For an entire decade, since as early as 1980, the economy of the former Yugoslavia had been going downhill at an extremely rapid rate. There were no investments against the backdrop of inflation and stagnation. Croatia's economic position, just like its political position within Yugoslavia, was markedly more unfavorable than that of the other federal republics. Political as well as economic reasons had been forcing hundreds of thousands of Croats to flee their homeland in search of a life abroad, even in the remotest corners of the world.

In 1990, as we were embarking on democratic changes, we inherited a heavy economic burden. Our internal and international circumstances were not favorable in the least in the course of winning state independence. In addition to this, there was also the barbaric Yugo-Serbian aggression, a cruel war, destruction, casualties, refugees from the occupied areas, and refugees from Bosnia-Herzegovina. We had to face up to all these associated problems and costs by relying almost solely on our own resources, on our people.

This is why one should look back and see what we have been through and what we have done. Over the past year Croatia has achieved a great deal of progress in consolidating its economic system and gearing it to modern market economics. Despite the fact that at the same time we had to solve, as a matter of priority, the problems of defense, we have nevertheless achieved considerable results in building a new state administration and promoting market economics. The greatest success, to the surprise of international experts and institutions, is undoubtedly the implementation of the economic stabilization program and the curbing of inflation, including the introduction of our own national currency.

We introduced the kuna by implementing the program of convertibility, so we must and want to maintain it as such. In this context the central Croatian bank, the National Bank of Croatia, also has a new role. A new role has also been assigned to the taxation and customs system and the financial police. After many centuries, the taxes collected in Croatia are serving the welfare of Croatia's citizens and the Croatian state, something that is increasingly finding its way into the conscience and habits of Croatia's citizens.

The transformation and privatization of the economic system as a whole is being accompanied by a series of inevitable problems. It is up to the state authorities to secure lawfulness and eliminate all negative phenomena, including fraud and crime in particular. Determined to be constantly concerned for spending Croatia's state budget sensibly, we have established, following the model of the countries of the free democratic world, an independent state review body. The establishment of Croatia's state treasury is also nearing completion. It will channel all transactions between those using the budget, something that will facilitate an even more cautious approach to spending state funds.

We are building a new taxation system in order to stimulate entrepreneurship and production. We already have stimulative tax rates which are lower than in most neighboring countries. Croatia's profit tax rate, 25 percent, is one of the most attractive rates in Europe. Thus, we want to convey a clear message to the business community that Croatia is a good location for doing business.

As part of the implementation of the program of restructuring and privatization, the main task facing us is to sort out the inherited situation in the major public companies, in the banks and financial institutions, and in health care and pensions. We are endeavoring to build health and pension systems appropriate to the needs of a market economy and also to a democratic state which must conduct a social policy and must provide social care for all its citizens. The inherited system of financing pensions and health protection from deductions from pay and taxation which levies on net pay up to 120 percent in contributions, does not meet our needs, particularly considering the relatively high unemployment level of 17 percent. This does not encourage higher employment but rather increases moonlighting and makes some of our export industries less competitive. We must be more determined in our application of the experience of others in order to reduce this burden on the economy and to reduce the superficially high level of unemployment which in reality is much lower.

Croatia is at present supporting 384,000 Croatian displaced persons and refugees from Bosnia. The Croatian budget is allocating 1.443 billion kunas a year to assist these citizens, which is about 7 percent of the total budget. Since 1992 some 50,000 Croatian displaced persons have returned to their homes in liberated areas of Croatia, but at the same time the expulsion of Croats from occupied areas is still continuing, which we must put an end to as soon as possible.

We have organized the restructuring and privatization so that the ownership of social and state property is spread across the widest possible circle of Croatian citizens. So far more than 500,000 Croatian citizens have become shareholders, which is a higher percentage than in many developed countries. The total funds realized from the restructuring so far amount to more than 3.7 billion kunas, of which about 1.5 billion are in cash. More than 1,110 companies have been completely privatized, the majority of them small companies. A further 840 have been largely privatized and 353 mainly larger companies have been privatized to a lesser extent. About 45 percent of the work force is now working in privatized and largely privatized companies and is accounting for the greater part of overall earnings. Shares amounting to about 3 billion kunas have been reserved in the Croatian fund for privatization for the needs of the implementation of denationalization.

We have devoted particular attention in the course of privatization to offering opportunities and incentives to Croatian emigres. Last year and this year Croats from New Zealand, Australia, Chile, the United States, Canada, and most European countries invested in Croatia and also themselves returned together with their children. However, we have still not completely removed all the resistance to foreign investment and investment by Croatian emigres. This resistance comes most often from people who were part of the old structures or those who fear that in a free-market economy and free competition they will lose their privileges.

In the process of implementing economic and overall state policies, our government must pay particular attention to the victims of the patriotic war, invalids and the families of fallen defenders, and to displaced persons. A free issue of shares has been made to invalids of the patriotic war and the families of fallen defenders by some 350 different companies amounting to an estimated value of about 370 million kunas, on the basis of which we have more than 21,000 new shareholders.

The easing of the crisis situation in Croatia and in Bosnia-Herzegovina has had a positive impact on economic trends, particularly the return of tourists to the Croatian coast. The number of overnight stays has increased from last year's 12.9 million to an estimated 18.5 million this year, an increase of 43 percent, but this is still only 35 percent of the number of overnight stays in 1990. On the basis of total tourism expenditure this year, we will realize about 7.5 billion kunas, which for those who have still not learned to calculate in their heads in kunas, amounts to about $1.3 billion or about 2 billion German marks. Next year we should aim to double earnings from tourism.

With our policies, particularly since the signing of the Washington agreement, we have secured the gradual and increasingly rapid integration of Croatia into the political, economic, and financial structures of the developed world.

We are negotiating to join the world trade organization, formerly GATT. We already have a letter of intent and now we are waiting for the signing of an agreement with the IMF, something that fully qualifies Croatia for international financial cooperation. We have received the first loans from the World Bank, the European Bank for Reconstruction and Development. We expect to see soon an open door to the Phare [Economic Reconstruction Aid for Poland and Hungary] program of the European Union. We also expect to sign other agreements.

We also expect to become a full member of the Council of Europe in the near future. Quite apart from these state agreements, in reality there is an increasing level of cooperation between domestic and foreign firms as well as their investments in joint programs.

Ladies and gentlemen, as I said, in order to fairly assess the results achieved as well as to consider the problems, we must remember where we started from, how far we have got and, where we want to go. Along these lines, let us recall the circumstances surrounding last year's trade fair.

Then, we were still coping with a monthly inflation rate of 25 percent, and even up to 38 percent, while the average income was 740 kunas. Today, inflation is history, while the average monthly income in July this year was 1,122 kunas. Our economic and inflation-curbing policy has achieved such results that distinguished financial and economic experts and international financial institutions are expressing their appreciation. They are both surprised and overwhelmed, concluding that we could have achieved this only thanks to a clear and determined state policy. This year without inflation has enabled us to see in clear terms where the problems of Croatia's economy lie, to consider and resolve them in a systematic way, and to take steps toward stable development.

From the former Yugoslav and socialist system, we inherited a technologically outdated and autarchic economic structure. It is our desire and goal to turn the economy as quickly as possible into an open economy with modern technology and efficiency by applying sensible reforms. Only such an economic system can provide Croatia with cultural and other development, bring about progress to the entire Croatian people, and gradually increase the living standards of all citizens of the Croatian state.

Croatia's state policies are firm in their determination to stimulate and advocate foreign investments in Croatia's economy and to protect with its entire legal system the equal rights of both domestic and foreign investors. We believe that everyone who shares our vision of a rich Croatian state and invests their knowledge and money in the creation of Croatia's economic revival is also entitled to their share of the fruits of the economic recovery in line with the principles of private ownership and free entrepreneurship.

In the context of such commitments, we have advertised an international tender for the construction of motorways on the basis of concessions. Some 10 major companies have demonstrated their interest in this. We have received interesting offers, so I expect the first major works to take place next year. It is very important for us not to remain isolated in today's European communications. We must also consider the problem of a low-altitude railroad between Rijeka and Zagreb as well as of linking Istria by rail.

Having curbed inflation and increased Croatia's hard currency state reserves to over $2.1 billion, the convertibility of our currency generates trust among our people working abroad, so they can deposit their savings with domestic banks. This will also fuel economic development and increased employment, something that in itself leads to the revival of living isolation [as heard].

I take this opportunity to draw the attention of our business people and the entire public to the fact that the Washington agreement on the Croatian-Muslim federation in Bosnia-Herzegovina and its confederation with Croatia constitutes our obligation to help in every way in implementing this agreement on the Bosnian-Croat federation in Bosnia-Herzegovina and the confederation in all areas. The agreement also provides ample opportunities for economic links, something that is of exceptional interest to Croatia, not only for geopolitical reasons but also for direct economic reasons.

Croatia has hitherto achieved all its results without a single dollar in foreign loans, by relying solely on its own resources, its own ideas, on the sacrifices and discipline of Croats here and abroad. Today, we are surrounded by radically changed, more favorable circumstances. We have a stable internal democratic system and a firm international position. Croatia has good relations, in every respect, with the United States and with many European Union countries, including the most important ones, with the major country of China at the other end of the world. We have developed good trade relations with Russia. We have increasingly good and wide-ranging relations with Islamic countries and with Israel. The recent visit of Pope John Paul II to Croatia was more than a significant testimony to Croatia's internal democratic stability and its international reputation.

All of this opens up possibilities and creates preconditions for security in all areas of internal and international relations and in resolving all issues, no matter how complex and grave they are, all issues in the construction of a modern and prosperous Croatia in its capacity as a state of social justice and free entrepreneurship. This economic exhibition bears out the fact that we are on the right path. I declare this 70th autumn trade fair open.

Prime Minister Calls Greek Policy 'Unpredictable'

AU1309191294 Skopje VECER in Macedonian 10-11 Sep 94 pp 4-5

[Interview with Prime Minister Branko Crvenkovski by Vasko Eftov; place and date not given: "We Achieved More Than We Expected"]

[Text] [Eftov] At the time of your inauguration, did you expect to rule for two years?

[Crvenkovski] I cannot speak for the other government members, but, at that time, I was not thinking about the duration of this government's rule. Frankly, I was not thinking about it at all; we did not have time to think about it. As a government, we were deprived of the 100 days of tranquility that is usually given to governments in other states in order to create platforms. It was a period of serious social disorders and an oil blockade by Greece. In addition, we were outside all the institutions. The government has been forced to operate since its first session: It had to provide for an oil transport corridor from Albania and Bulgaria, calm social unrests, and relax the tense relations in the sections of education and health that were on strike at the time....

[Eftov] New parliamentary elections are scheduled for 16 October. What does the government plan to do in the meantime?

[Crvenkovski] New elections are scheduled for 16 October, which means that we are starting a period of elections with ordinary problems: confrontations, political programs, and various tensions. The government will probably not sit still during this period. It must perform all its duties simply because life must go on. The government will, of course, avoid making long-term decisions and solutions during this period. I think this is an appropriate decision.

[Eftov] There have already been some speculations about a coalition for the forthcoming elections. It is said that the SDSM [Social Democratic Alliance of Macedonia] will come out with 60 candidates, the Liberal Party with 30, and the Socialist Party 11. Is this true?

[Crvenkovski] We as a party have said that we are ready for an election cooperation with parties that have programs similar to our own. We have started negotiations with the Liberal and Socialist parties, although, at this stage, it is too early to predict anything. Yet, I have to stress that I expect them to be fruitful. At any rate, the level of election cooperation depends on the forthcoming negotiations.

Where Are We?

[Eftov] The inauguration of this government coincided with a time when it was necessary to push the economic reform with a more fighting spirit. Some ministers from your cabinet were very self-confident when they stated that we are ahead of the East European countries when it comes to economic reform. What is your opinion?

[Crvenkovski] It depends on what you are using as a comparison. However, if we take into consideration the circumstances and all the foreign factors that were influencing the economic situation in Macedonia [The Former Yugoslav Republic of Macedonia], it is then clear that, regarding the economic reforms, we have achieved much more than even the greatest optimists expected. Ultimately, I think we did much more than the representatives of international financial institutions (with which we were forced to have more intensive communications in this period) had expected. Let us not forget the fact that the reforms are a very difficult process with a very high price and that they can create difficulties even if carried out under excellent conditions.

[Eftov] Do you think that something more could have been done in the reform process? If we assume that the essence of each reform is to reinforce the image of every national economy in communications with huge international economic "giants," how can you explain the fact that from 1990 to 1993, Macedonia was in last place according to foreign investments?

[Crvenkovski] It is true that it is always possible to accomplish more. However, one must take into account that there were many who thought that, due to the foreign surroundings, it would have been much more preferable to continue with a commanding economy instead of introducing a market economy in Macedonia. If we have to provide for the raw materials by using special convoys, if instead of using railroads we are forced to use only road traffic, if the government is forced to intervene with governments of neighboring countries for purely technical issues, as is with transport, then it is very difficult to push economic reforms. Although, my opinion is that we could have achieved much more in some areas, especially in the financial sector and in the rehabilitation of banks.

[Eftov] Are you admitting that a wrong decision was made—that is, that it was wrong to start privatizing companies first and not the banks? Should it have been done the other way round?

[Crvenkovski] There can be no successiveness in this process because we cannot wait to finish privatization and then start the rehabilitation of banks. There cannot be a vice-versa process either. These processes do not end in a month or two. They will probably last for years, which is why I think these two processes will be carried out simultaneously.

A Hot Glass of Wine

[Eftov] Nevertheless, the current mixture of these two very important processes of economic reform can represent a trap: The banks and companies may not be interested. Namely, the banks may expect the state to force the companies to pay their debts, while the companies, anticipating such a possibility, may refuse the idea of paying their debts back to the banks.

[Crvenkovski] I am going to try to clarify your question. Are you saying that the banks are interested in collapsing as soon as possible, thus making their future obscure.

[Eftov] I totally disagree with your interpretation; it is not in the banks' interest to shut down as soon as possible. You as a government have carried out some reforms by transforming the former Government Auditing Office into a Department for Public Income and Money Circulation, but this did not increase proficiency. Namely, the Macedonian economy owes a large sum of money to the Bank of Foreign Trade, which now has large financial debts. Nevertheless, during its 16-month existence, the Department for Money Circulation has not been able to get a single check in favor of the bank and is doing nothing but offering temporary solutions (the whole matter has been handed over to the courts). How can the banks collect the money from old credits?

[Crvenkovski] It is not natural for someone to work to his own detriment. If there is such a lack of interest and if liquidity is distorted, regardless of which companies or banks it has to do with, they will either be rehabilitated or liquidated. It is not right to say that there is an interest in liquidation or rehabilitation and that someone from the outside will take over and decide on the workers. All the banks are trying to prove that they do not need rehabilitation. For instance, the Bank of Commerce hopes that a revision will prove that it does not need to be rehabilitated and that it can start privatization right away. In a rehabilitation process, others will decide about the future of a bank (about how many workers will remain, restructuring, and so on). The Agency for the Rehabilitation of Banks comes to mind first. It is normal that they will all try to avoid the least desired option—liquidation or rehabilitation.

[Eftov] I agree with you that it is normal to evade the least desired variant, but it is also even more normal to choose the best variant—to receive money for credits. Is this not true?

[Crvenkovski] It is true. The common motive of all of them is to receive money for the credits and start a normal business. That is why it is not true that the banks will not be interested.

[Eftov] In spite of everything, it can be true: Let us suppose that the banks will ask for their money. In that case, will it be suitable for the state if some companies are proclaimed as "failures?" Let us be more precise: Will it suit you if, in the process of getting its money from huge companies, the Bank of Foreign Trade auctions off the property of these companies?

[Crvenkovski] The banks are conducting their own business policy. It is up to them to decide where they will invest. Whether it will be a profitable or unprofitable project depends on their business policy. None of them is obliged, which is good, to come and ask the government about its investments. The main difference between this and the previous system is that there are no centers of absolute power. There still exists the idea that the government must conduct the business policy of the banks or companies. We can neither constitutionally nor legally decide if someone will receive credit—that is, if a bank will extend credit to a business subject. Everyone is responsible for his own business policy, and he will either survive as a successful subject or he will face a bad situation because of his inferior work.

Why Prolongation?

[Eftov] You visited the Skopje iron factory two months ago and soon afterward, the workers received their salaries for March. How much did the government's intervention with the Bank of Commerce help in this process, and how much does it coincide with what you stated previously?

[Crvenkovski] You should check where the iron factory got the money from to pay for the salaries. It is not at all important whether the money came from the Bank of Commerce or not. I want to say that we cannot order any bank to give credit for salaries. However, I also want to emphasize that it is in the interest of the banks to maintain a good economy, because there cannot be successful banks without a successful economy. It is beyond logic to say that it suits the banks if their founders perish. The banks can get their money only if their founders work and make a profit. If companies are closed down, the banks lose a lot of money because they will never be able to get their money back. If the bank asks for a mortgage, the problems of the company will be transferred to the bank.

[Eftov] The government prolonged the term for transformation programs of companies-losers (instead of the beginning of September, the term has been now postponed to 31 October). Does the government have a vision about its expectations—that is, are not many of these companies doomed to be liquidated?

[Crvenkovski] It is an operation that has been agreed with the World Bank and the International Monetary Fund. The idea was to accelerate the process of reforms and transformation of the economy by separating 25 of the biggest losers. We gave their leaders a chance to prepare transformation programs. We estimated that those companies had to be pressed to prepare their programs in a period much shorter than was envisaged in the Privatization Law.

[Eftov] Why did you extend the term to two months? Is it because it is not true that the managers of the companies know the situation the best and that they will, therefore, offer the best solutions; is it because the program methodology of the World Bank is too complicated; or is it because intensified social disorders are expected and, therefore, the whole matter was left for the period after the elections?

[Crvenkovski] We planned this operation in cooperation with the World Bank and the IMF, and the terms have been given in such a way as to make additional pressure on the leaders of the losers for preparing a program. The decision on prolonging the term was not a decision of the government or the managers only. On the contrary, it was a decision taken by the World Bank. If the World Bank thinks that the term should be prolonged, why should we think there was something wrong with it?

Managers' Lobby

[Eftov] The managers are facing a very delicate situation, because they are waiting for the process of transformation and they are also not happy because of the overvaluation of the denar in relation to hard currency. Don't you think that in such a situation it is possible to have a mass of dissatisfied people in and around the Chamber of Commerce who would be strongly against the government economic policy, and that perhaps they already are?

[Crvenkovski] I would here like to say that in the past three years it was very important to conduct a proper foreign policy as well as the concept of national defense. Nevertheless, one of the most important issues was to prove that our state was capable of organizing its economy. Although we often say that we are slow in the transformation and that we meet resistance in the process of privatization, there is one thing that must be made clear: In the past two years even some of the world's great businessmen would have had great difficulties due to closed borders and markets, and our businessmen succeeded in defending economic stability. Actually, our economy has demonstrated a greater ability than we had expected. The Greek Government, for example, with the introduction of the embargo had estimated that in a month and a half the Macedonian economy would have collapsed. The Serbian policy had estimated that Macedonia would have collapsed in three months without Serbia. These analyses were not done just like that, they were done by groups of professionals. For instance, on the second day of the Greek embargo the international institutions asked us if we were abandoning the program. Everybody thought that we were finished. However, the economy proved to be much more resistant than expected.

[Eftov] You did not answer some questions. What is the communication between the managers' lobby and the government like?

[Crvenkovski] So far there has not been any need to create institutional relations between the government and the managers' lobby. On the other hand, what does it mean when you say "managers' lobby?" Various interests within the economy are very different and often opposite, and the economy is so complex that it is hard to talk about a particular category of a managers' lobby that can operate on some definite stances.

[Eftov] They have probably become unanimous on one issue: The entry of the Bank of Commerce into the state monetary system. Does this mean that all the managers are in favor of an increased circulation of money?

[Crvenkovski] The largest number of managers fully agree that increased inflation and unstable conditions are detrimental for them. These factors are the ones that affect elementary production the most. Greater money circulation implies greater inflation and greater bank interests, and thus those with the least capital circulation are the most affected. Trade is not affected because it has a fast money circulation. In conditions of inflation the most affected will be the producers, and this is what they have already experienced. Inflation is a terrible thing, similar to drug addiction where you become constantly dependent on the next dose, hoping it will save your life, while you are actually getting closer to death.

[Eftov] The second round of discussions with the IMF has just ended. The government has publicly stated that there are discussions about stand-by arrangements. How far have you reached in this phase, that is are there any matters of dispute in these negotiations?

[Crvenkovski] This is the second mission of the IMF after which there come concrete negotiations on settling all the ambiguous details. I can say that we have almost fully agreed on the matters concerning a program that is equal to a stand-by arrangement. On our side, we have completed the greatest number of things under our responsibility. On the basis of this program we have to provide now for the financial assistance from abroad (depending on how much the World Bank and the donors will support this program).

[Eftov] There had been certain misunderstandings in the negotiations with the World Bank, first of all relating to questions concerning rehabilitation of banks, privatization, and the problem of the great losers.

[Crvenkovski] During last month's visit of the World Bank delegation we held general discussions. Toward the end of this month these matters will be defined. There had been some misunderstandings concerning rehabilitation of banks. Actually, the aims were common but the approach was different. There had been some misunderstandings concerning the Bank of Commerce, because we had already entered into some arrangements with the European Bank that financed the revision of the Bank of Commerce and that was ready to participate with its own money in the privatization of the bank. At a certain moment the World Bank proposed not to wait for the revision and to undertake immediate measures, which would imply that we would have to give up our cooperation with the European Bank. That is why we started negotiations with the World Bank, because we could not give up easily such an important and respectable potential investor as the European Bank, and I think that we have accomplished a full agreement on that, too. We agreed to carry out the revision, and it should be completed by the end of this month, after which we will try to find solutions for the problems of the Bank of Commerce.

Problematic Neighbors

[Eftov] It has been nearly seven months since the Greek embargo. Recently some important Greek officials, such as Mr. Pangalos, have stated that this dispute could be solved by the end of the year. What is your opinion about that?

[Crvenkovski] The reactions of the Greek Government are unpredictable. A prognosis can be valuable if a logical policy is conducted, but we have seen in this period that the Greek Government has done some very irrational things. It is very difficult to predict its future steps. If we judge rationally, the embargo should not only be lifted, but it should never have been imposed at all. This embargo is detrimental for Greece itself, because its political credibility in the world has been destroyed, and because it is causing huge material damages to us, around $300 million so far.

[Eftov] Is Macedonia negotiating on the name? Such speculations have become very frequent. In addition, some letters from Butrus Butrus-Ghali and Yuliy Vorontzov to the Security Council are also being mentioned.

[Crvenkovski] We have neither before nor now negotiated on the name, and personally I do not believe that there will ever be such negotiations, regardless of who might be in power in Macedonia. Whoever negotiates on the name will risk losing their political credibility. If there are such rumors, they are nothing but speculations.

[Eftov] Recently, there have been some incidents on the Macedonian-Serbian border. Some interstate commissions have already been created. What are your expectations for the solution of the dispute?

[Crvenkovski] I can say that I am sincerely sorry about the incidents. I think that we need a better communication between the two states, first of all concerning the regulation of the border.

[Eftov] Is this the reason for closing down the duty-free shops on the Macedonian-Serbian border?

[Crvenkovski] The duty-free shops have been closed upon a request of the Republican Customs Department, on the basis of the opinion and stances presented by some of the responsible ministers. Among the rest, one of the reasons was to eliminate motives for illegal crossing of the border. We are doing everything possible to minimize the risk of border incidents. Economically speaking these measures are producing material losses for the state, but we think that human lives are of the greatest value.

[Eftov] Finally, are there any negotiations with Serbia about a redrawing of the border line?

[Crvenkovski] The border between our two states was not made yesterday; it is a border that was defined many decades ago. On several occasions we have suggested to our northern neighbor the formation of state commissions that will define the border and that is one of the measures that has to contribute to the final definition of the border with the aim of avoiding incidents due to ignorance. Unfortunately, our offers were repeatedly refused by them. I hope that after the latest events they themselves have become aware that it is necessary to regulate this point, which is of high priority.

Political Parties Prepare for October Elections

AU1309161394 Skopje MIC in English 13 Sep 94

[Text] VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity] is ready for the elections; however, it must be said that the 30-day deadline is much too short for a campaign—the leader of this party Ljupco Georgievski stated at the press conference held in Skopje yesterday. He added that this short period was aimed at minimizing the elections and creating an atmosphere of abstinence, after which, they would find it easy to falsify themselves. Georgievski announced that the candidates for all 120 deputy seats of this party would be determined by September 20, while the presidential candidate, on September 14, at the party convention. Possible candidates for this position are the director Ljubisa Georgievski, the philosopher Dimitar Dimitrov, and the writer Simon Drakul.

The start of the meetings of this party will be on September 15 in Ohrid, and among the last, the meeting in Skopje scheduled for October 13.

Albanian Democratic Alliance-Liberal Party—The aim of the Albanian political subject is to have as many Albanian deputies elected as possible, 30 would be best. This was emphasized by the party's president Dzemail Idriz at yesterday's press conference, which was opened after he welcomed the people present both in Albanian and Macedonian, while the entire conference was held in Albanian. Namely, this was the reason why the reporters, who did not understand the language, left the conference.

MAAK-Movement for All-Macedonian Action, appeals to the Macedonian parties in the mixed regions to promote only one candidate for the position of MP [expansion unknown], which is an imperative inter-party agreement. If a necessary agreement is not reached, according to MAAK, the Macedonian candidates will have to split the votes, and lose, which is inexcusable in the present socio-political constellations.

Democratic Party of the Turks—This party will take part in the elections and promote a candidate for president, who will be proposed by the party on the basis of the gathering of 10,000 signatures. The president of the party Erdogan Sarac informed the reporters that the formation of a third party block in the state was being planned. Basically, it would be citizen oriented, however, for the present, it is still not known which parties would comprise it.

Macedonian National Front—based in Prilep, with which Kiro Gligorov is nominated for president of RM [The Former Yugoslav Republic of Macedonia] for the next five-year mandate. The Macedonian National Front, having in mind the opinion and full support of its membership and sympathizers, appealed to all parties; to plebiscitarily [word as received] give their vote to Gligorov.

Serbia

Milosevic's 'Peacemaking' Efforts Discussed

94BA0393A Belgrade NIN in Serbo-Croatian 12 Aug 94 pp 10-12

[Article by Dragan Bujosevic: "Milosevic's Peace: Situation Normal"]

[Text] *The president has once again demonstrated a talent for gathering around him supporters of both Zvezda and Partizan [soccer teams], both Vesna Pesic and Bidza, but Milan Komnenic is already saying that a blockade on the Drina cannot be supported.*

Perhaps one circle has been closed.

On St. Vitus's Day 1989, before a multitude of people (300,000 according to the AFP estimate and around 2 million in the view of POLITIKA) at Gazimestan, Slobodan Milosevic said this: "We are once again at battle and facing battles. They are not armed, although even that type is still not ruled out."

On Sunday, 31 July 1994, POLITIKA published a statement by President Milosevic in which he said that "the greatest Serbian national interest at this time is peace."

There will be thousands of interpreters of these statements and the commentary will understandably be divided, but it is likely that everyone will see that Milosevic, in his well-known activist manner, has resolved that in no way will he be a slave to circumstances, that he wants to be their master.

Agenda

The president of Serbia, ignoring the Constitutions of both Serbia and Yugoslavia, set out to save Serbia and Montenegro and the republic of Srpska and the republic of Serbian Krajina, or Serbdom in general, apparently convinced of his own special role and of his collusion with history. Even today, he can repeat what he said in December 1993: "Everyone must know that today neither party ambitions nor party leaders are on the agenda; today, peace, freedom, and the national interest of the Serb nation are on history's agenda."

No one was upset by the fact that on such important matters the president of Serbia neither consulted with party leaders, nor asked for the opinion of the assembly of the federal units and of the federal state. It appears that Milosevic is being shadowed by destiny—many people see in him a man who, in doing his job, will do something useful for them as well, and for that reason they do not want to "nag" him too much. One well-known dissident, whose passport was held by the police for an extended period, once explained that Sloba should not be blamed for partyless pluralism right now when the Serb national question is being resolved. According to the same principle, Milosevic has also been supported by those who had something against the Memorandum (only to later accuse him of being its main "executor"), who were worried about the attacks on the character and work of Tito (after having criticized him for being the first to note that Broz is dead and for attempting to replace him), who were not happy with Ivan Stambolic (only to then reproach themselves that "Milosevic is in favor of attacking but Ivan is not").

Declaration of Victory

Similar behavior is being exhibited today by those who describe themselves as peacemakers and who until recently called the president of Serbia a warmonger and criminal.... However, one factor in all this is presumably Milosevic's talent for gathering around him both Zvezda and Partizan, Vesna Pesic and Bidza. That is why right after publication of the statement in POLITIKA, there was no mention of the sanctions that can do us harm for a thousand years, no mention of the proud refusal to bend, the thousands of dead and wounded, the refugees, the criminalization of life, the lowering of standards....

In order to forestall such discussion, Milosevic quickly declared "victory," but it was immediately clear that there remained plenty of work to be done. Because there are still no internationally recognized borders of the Republic of Serbia, still no softening or lifting of the sanctions, still no return of Yugoslavia to the United Nations.

Since the initial "shock" from the president's new joker ("He always has a joker up his sleeve," Desa Trevisan) has passed, it has turned out that the "second homogenization of the Serbs," despite media support and success at one's fingertips, does not even resemble the one from 1987 and 1988, so that differences are already discernible between the "peacemakers" and the "war lobby," between Serbs on this side and the other side of the Drina, between "Partisans" and "chetniks," and between church and state (see pages 14 and 15), while there is already some evidence of fear of a possible conflict in Serbia between groups so "described."

It is understandable that those accused of being "warmongers" deny their belligerency. Predrag Protic, vice chairman of the Democratic Party of Serbia, tells NIN that they have always been against war and for negotiations, but notes that some peace solutions—such as Versailles—were also the causes of new wars. "The goal of the offered solution is to return the civil war, which has been internationalized, to the local framework. In this case, the Serb question in the former Bosnia would become an internal affair, and the Muslim-Croat coalition could treat every rebellion by Serbs as an uprising against the state." On behalf of the "nicknamed" Serbian Radical Party, Aleksandar Bucic, with whom NIN spoke, says: "Any normal person is for peace. The only question is how to achieve it, whether it is with the help of a strong Serb state or a promise from Alija Izetbegovic that he will not attack us."

SPO Rears Its Head

What is important here is that Protic says that they will certainly not attack the "peacemakers" in order to pardon the mistakes or failures of Milosevic's national policy through their support. "Solving the Serb national question is not a problem of day-to-day politics, and we can find other proof of collaboration by certain opposition parties with Milosevic," says Protic.

In the "peacemaker" lobby, the Serbian Renewal Movement [SPO] has reared its head, obviously not wanting its hands to be completely bound by the support given to Milosevic. A skirmish began with a commentary on state television's "Dnevnik" program. Milan Komnenic, vice chairman of the Executive Committee of the SPO, says: "It is said that we were for peace in order to force Serbs in Bosnia into the merciless enemy's embrace, while they erected an iron curtain on the Drina in order to lead the Serbs on the other side of the Drina into an affluent society." Although he thinks that the commentary by Stefan Grubac is not "the official opinion of the SPS [Socialist Party of Serbia] nor of Slobodan Milosevic," Komnenic believes that the public is having a hard time accepting the blockade on the Drina and says: "These sanctions reflect the low credibility that Milosevic enjoys abroad. If we contended that the sanctions against Yugoslavia have no purpose, how could we justify these sanctions, which a country under blockade is imposing on part of its people. I do not know how Milosevic could make such a political blunder; only if his foreign tutors convinced him that this was the only way to pressure Serbs in Bosnia."

Komnenic responds to the charge that through their support the "peacemakers" are pardoning Milosevic for his mistakes and failures: "We are far away from the moment when the scores will be reduced to the political and national stage. Now we are behaving pragmatically—anyone who contributes to the peace process should not fetter it. But that is a long way from a pardon."

No one with whom NIN spoke thinks that the disputes between the "peacemakers" and the "war lobby" could lead to more virulent showdowns. However, Dragomir Draskovic, the chairman of the League of Communists-Movement for Yugoslavia, believes that the Radicals ("If elections were organized today, they would not even make it into the Serbian Assembly") are "willing to provoke conflicts simply in order to remain on the political scene" and that "the beginnings of such a scenario are being manifested in the Montenegrin Assembly."

Radical Vucic energetically rejects such a possibility, noting that they have always avoided the streets because of possible incidents. But he complains that people ascribe to them events with which they have no connection, such as the recent protest in Loznica. Finally, Vucic says that the Radicals showed who is in favor of conflict and who is not when they avoided responding to the beatings in the Serbian Assembly. "At that time, the leadership stayed to the side all night in order to keep our people, who are brave fighters, from going to Belgrade."

Churchill's Second Announcement

Unlike Draskovic, Predrag Protic says that "only the authorities can provoke incidents and conflicts" and that the division into "chetniks" and "Partisans" "is not a psychological basis for civil war." It would be most precise to say that the people with whom NIN spoke question the division into "Partisans" and "chetniks." "What then is Vuk Draskovic? Or what are the members of the Association of Serbs from Bosnia-Herzegovina, 90 percent of whom were in the Partisans, but who now support Karadzic? Finally, what is a member of the Yugoslav Left, whom the Partisans immediately shot in 1941 because of the way in which they grew rich?" asks Goran Vesic of the Democratic Party.

And Radical Vucic asks: "What sort of ties do I have to the chetniks? That story is a fabrication in the state media. Look at the Serbs in Bosnia: They are fighters, patriots; there are no chetniks and Partisans."

The cleverest answer to the question of who the "chetniks" are and who the "Partisans" are was provided by SPO representative Milan Bozic: "Apply an analogy. You know who Churchill opted for in 1943. Wait and see who the West will opt for now."

Thus, all indications are that we come back to Milosevic. For him, the situation is apparently normal. He takes a vacation (also on vacation are Vuk Draskovic, Seselj, Djindjic, Kostunica...), talks with businessmen, and behaves according to the three rules defined by Kosta Cavoski in describing the "secret of presidential power": give the people hope (even illusory hope); control the activities of one's adversaries (Karadzic); bridle the opposition. And naturally, there is no reason whatsoever, even as "official" peacemaker, for him not to repeat that "peace, freedom, and the national interest of the Serb nation are on history's agenda." And perhaps also to turn entirely toward peacemaking matters and other subjects.

We asked Dragomir Draskovic whether he is afraid that Milosevic, if peace "breaks out," will take over the left's ideology. Draskovic responded with a question: "Why would he take it and why would we rush to give it to him?" "Perhaps because that ideology is the closest to him and he can depict it as his own through the media." Draskovic's calm response: "I hope that all the media are not his," and then he added for Milosevic's benefit ("He realistically assessed the balance of power in the world and in the Contact Group and created an opportunity for a way out of the crisis"): "You are asking me a lot about him, but he is my president and yours."

Milosevic Addresses Officials on Economic Recovery

AU1309200394 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 13 Sep 94

[Statement by Slobodan Milosevic, president of the Republic of Serbia, at the meeting with Serbian officials holding republican and federal posts in the sphere of economy and finances; in Belgrade on 13 September—recorded]

[Text] The success of the program of monetary reform has enabled us to consider the possibilities of establishing the remaining programs in the nonmonetary sphere, which should enable us to possess a comprehensive program of economic recovery for the country at the end of this year and the beginning of next year. I stress here that we can find the basis for this in the accomplished results of the monetary reform program.

Over the past several weeks, we talked about issues that had appeared during the work on finalizing the economic program for the country's recovery. Therefore, I think that today's meeting should primarily be concerned with discussing the main directions of activities on concluding the economic program. Here I would list three main directions on the basis of which one should prepare a corresponding program. These directions are: First, the issues of taxation, wages, and pensions. This triangle with a high degree of mutual dependence has a huge import for the stability of the economy, for the degree of motivation in work and production, and for achieving an appropriate level, a higher level of social justice. It is very important that, in this triangle of taxation, wages, and pensions an appropriate system and an appropriate balance be established which would make it possible for this entire complex to act in a stable manner and at the same time as a basis for a rigorous economic growth and a support for an overall stability of the economy.

The second program that I consider necessary to be discussed today is the issue of the reform of the financial system, that is, first of all, the reform of the banking system. Without expounding on what this task and this complex of issues that should be prepared should encompass, I hope that you will agree that this is an unavoidable factor that must be settled if we want to define a basis for a serious and successful economy, a modern economy that we would like our country's economy to be.

The third group of issues that should be very responsibly prepared is the issue of investment. Therefore, I suggest that we should discuss today the main questions and tasks that should be performed in the non-monetary sphere: the issue of wages, taxation, pensions, and the preparations for regulating this complex; the issue of the reform of the financial system, that is, the banking system; and the question of investments. Upon this basis and by continuing to implement the monetary reform program, I think that by the end of this year and the beginning of next year, we should have a complete and comprehensive program of economic recovery for the country.

Role of Church in Serbian Conflict Viewed

94BA0393D Belgrade NIN in Serbo-Croatian 12 Aug 94 p 17

[Article by Svetlana Djurdjevic-Lukic: "Church: Estranged Brothers"]

[Text] *St. Sava reconciled his brothers, but they were believers, and that happened after two years of civil war.*

Radovan Karadzic is certainly right about one thing: The arrival in Pale of Patriarch Pavle, Metropolitan Amfilohije, and Bishop Atanasije after the severing of all relations between the FRY [Federal Republic of Yugoslavia] and the RS [republic of Srpska] "carries a great deal of weight and significance for the people of the republic of Srpska." Naturally, for the leadership as well, especially since on that occasion Karadzic "received support for peace, for the honorable execution of national affairs, and for the unity of the Serb nation."

Back in early July, the conference of bishops of the Serbian Orthodox Church announced that "the nation and church cannot accept the decisions imposed in Geneva concerning percentages and maps." Maintaining that they were not speaking out as any political faction, the bishops "consciously and responsibly" stated "that we would rather agree to give up life than betray our own nation, whom we have spiritually led along Christ's cross-bearing path for centuries, and wash our hands of its current and future fate."

Cosic

It must be recalled that previously the Holy Synod of Bishops met in special session to warn "the powers-that-be in Serbia" that its pacts do not bind the entire Serb nation and that the "Blue Helmets" in Krajina "must serve to separate the warring sides along the front line." Explicit support was also offered for a referendum in the republic of Srpska regarding the Vance-Owen plan.

However, statements by the Serbian president and prime minister, Milosevic and Marjanovic, and the measures that the FRY has undertaken toward the republic of Srpska have surprised the Serbian Orthodox Church and caught it off guard. "We are confused," admitted one of the bishops on Saturday, when the blockade measures largely took effect. "We are meeting, there are still a few of us bishops in Belgrade, there will not be any statements, but in any case the church will not remain passive."

That same day, the patriarch was visited by Dobrica Cosic, who refused to comment on their talk. "I meet with the patriarch relatively frequently, sometimes at my request, sometimes at his invitation. This is not something that would interest the public," was all that Cosic had to say to NIN.

Naturally, the power to make decisions about beginning or ending wars cannot be attributed to the church fathers. The Serbian Orthodox Church, through its leader, has continuously emphasized the need to preserve unsullied honor, has participated in reconciliation missions among the nations at war, like the one upon the arrival of Russian Patriarch Aleksey II, but at the same time it has not adopted a stance toward some of the—at the very least—strange moves and statements by its priests. Thus, there have been many public comments to the effect that there are some among the Orthodox who are not Christians, that they forget about Christ because of their worship of St. Sava, and Vuk Draskovic has even alleged that there are bishops among the war profiteers. For example, there was silence at the recent statement by the bishop of Zvornik-Tuzla, Vasilije Kacavenda, who allegedly ascertained that there is a plan in the republic of Srpska: If Milosevic attempts to bring down Karadzic, then an effort must be made to draw Serbia into the war.

Milosevic

The unenviable position of the church as practically the only institution that unites a significant portion of the Serb population in all Serb and other lands is especially underscored by the new Serb-Serb conflict because of evident ideological differences on this and the other side of the Drina. On that side, the anthem is "God of Justice," religious instruction is obligatory in the schools, the tradition of the chetnik movement is respected, the church hierarchy enjoys high esteem, and there is strong sympathy for the monarchy. On this side, an incorrigible leftist, a defender of the Partisan tradition, with no desire to return to a nationalized church....

As a declared anticommunist, the bishop of Zahum-Trebinje, Atanasije, was the first to publicly oppose the policy of Milosevic and the FRY toward Serbs in Bosnia. Harsh words were expressed about communist occupation, the betrayal and struggle for power by the "black magus from Dedinje." Even sterner was the metropolitan of Montenegro-Primorska, Amfilohije, in his letter to deputies of the Montenegrin Assembly. It is said that he declared in Pale that that Assembly does not express the attitude of the people of Montenegro; instead, that attitude is expressed by the office of the metropolitan.

However, Atanasije and Amfilohije were with the patriarch on his mission of reconciliation to Pale. On that occasion, Bishop Atanasije significantly softened his tone, contenting himself with quoting Bishop Nikolaj on the need for Serbs to get along, multiply, and worship.

Does that mean that the Serbian Orthodox Church will drop its unilateral support for Pale and come up with some formula for understanding between the two sides?

Dr. Zarko Gavrilovic, one of the politically involved priests, was categorical is saying this to NIN: "There is no alternative for the church to its position that it must stand by the Serbs in Bosnia. If it were to do what Milosevic has done, it would cause a schism, among other things, and that is why the majority of bishops originally from the other side of the Drina do not accept the existence of any border on that river. The church wants to tend to the interests of the entire Serb nation, which is not Milosevic's goal; his goal is to remain in power at any price. There have been proposals at the highest forums of the church to excommunicate Milosevic and Draskovic, if they have been baptized. Right now, as peace is being established in Bosnia, one must expect unrest in Serbia."

The fact that diplomacy is nevertheless making some attempts can be concluded from unofficial but reliable reports from church circles indicating that the patriarch was received by President Milosevic early on Tuesday evening. Milosevic provided the delegation with detailed information on his positions and relations with the Pale leadership. As we are writing this, it is impossible to learn what the results of this meeting are. Faced with the possibility that Serbs will be divided into two political nations of different ideologies, iconographies, and destinies, the bishops have become deeply immersed in thought and have not yet announced their position to the public. It must be assumed that they too have divided opinions, and it must be pointed out that the presence of all bishops—i.e., the convening of a Holy Synod of Bishops—is necessary for a binding decision.

Naturally, the church is expected to reconcile estranged brothers. However, it is difficult to predict the scope of such action, even if legends have the same value in the collective consciousness of the nation as historical facts. The latter say that even if St. Sava did reconcile the sons of Nemanja, Grand Zupan Stefan and his brother Vukan, he reconciled the two believers over the relics of their father, but only after at least two years of a long and bloody civil war.

Orthodox Bishops Appeal to Serbs, World Public

94BA0393B Belgrade NIN in Serbo-Croatian 12 Aug 94 p 15

[Communique from conference of Serbian Orthodox bishops: "Against Haranguing"]

[Text] *The bishops of the Serbian Church met in Belgrade for a conference in order to arrive at a position on the Serb-Serb dispute over the Contact Group map and peace plan. At the last moment before press time, NIN received a communique from the Serbian bishops.*

We the bishops of the Serbian Orthodox Church, meeting under the leadership of our Patriarch at the Patriarchate on 10 August 1994, desiring God's justice and a just and lasting peace for everyone, and thus for our nation as well, repeat in its entirety our appeal to the Serb nation and the world public issued on 5 July of this year, as well as all previous appeals to the domestic and world public regarding the tragic events in our country.

In the name of evangelical peace, the church, which by its very nature represents peace and reconciliation between God and man and among people, supports peace at all times, and thus at this tragic historical moment as well. We repeat and bear witness: We have been and we are for peace, but a just one for everyone, because that is the only lasting peace, while an unjust peace is a source of new misfortunes and a focus of new conflicts.

For our nation, whom we serve in Christ as the community church, responsible before God's terrible judgment, we seek nothing more and nothing less than what we acknowledge and desire for the other nations with which and beside which we live. Respecting their will and decision to live freely, we demand that the Serbian Orthodox nation in the republic of Srpska and the republic of Serbian Krajina be allowed to declare its will to be free and to decide with whom and how it will live. One thing must be clear: Any and anyone's plan that is imposed by force represents a violation of elementary human morals and of all internationally recognized norms of behavior. Whenever in history the lawlessness of power has superseded legal justice, humanity has sooner or later paid the price in blood.

That is why we cannot believe that the greatest powers of this world will want in our time to demonstrate their strength and their might over those who have already been violated many times and those who have been slaughtered more than once; over those who throughout their history have defended, with their own bones, human dignity and European civilization!

We have issued personal appeals both previously and recently, and on this occasion too we appeal responsibly to all leaders of our nation on both sides of the Drina, challenging them to peace, harmony, and the responsibility of everyone for everything before God, the nation, and history.

God forbid that the terrible national curse comes true in this Serbian generation as well:

The lords curse their souls, The Empire crumbles into pieces, The seeds of discord are sown bitterly, Thus poisoning the Serbian tribe! (Njegos)

At this decisive moment of differences in positions and opinions, there must not be a pretext for division, stirred-up hatred, and mutual accusations. It is shameful, immoral, and unbecoming, at a time when the entire Serb nation is unjustly chained to a pillar of shame, for individuals or groups to be harangued in the manner that was done until recently in all communist countries, or for collective responsibility for what was done and carried out to be placed on individuals in order to excuse oneself. Even more condemnable before the blood spilled for the freedom of the best sons of this nation, before the future and the incorruptible judgment of history, is the fact that official Serbia and Montenegro, who know what unjust and inhuman sanctions are, are now imposing a similar or even harder blockade and sanctions upon their crucified brothers in the republic of Srpska and the republic of Serbian Krajina. Nothing will be resolved through a Pilate-like washing of their hands in the blood of their tormented brothers, under pressure from the powers of this world, and this will bring a loss of personal and national honor, spirit, and dignity.

We are using this opportunity to also remind the public media of their moral responsibility and of the danger of abusing public speech and public opinion, thus poisoning the social atmosphere and heightening divisions, discord, and hatred within the nation. The seriousness of the historic moment obligates all of us to assume the highest degree of responsibility in our behavior, decisions, words, and actions toward one another and toward the public in general. We think that the decades of abuses by journalists and the media in our country and beyond are an adequate warning to all who want to preserve their moral and professional dignity.

Here, as always, we feel solidarity with our suffering nation, and with all who suffer innocently. The church, regardless of all events and solutions, remains behind its nation, sharing with it the good and the bad, protecting its unity and unanimity in striving for justice and freedom, appealing to all for self-sacrificing assistance, communal spirit, and harmony.

It is our belief and unshakable hope that the God of justice, freedom, and humaneness is alive, and that our spirit will be alive as well.

Kosovo

LDK Holds Assembly, Reelects Rugova Chairman

AU1309205394 Tirana TVSH Television Network in Albanian 1635 GMT 13 Sep 94

[Text] The General Council of the Kosova Democratic Alliance [LDK] held its first meeting in Prishtina today. The council was elected in the second assembly of this party. Under the leadership of President Ibrahim Rugova, the General Council elected the LDK's new presidency, consisting of:

1. Dr. Fehmi Agani
2. Hydajet Hyseni
3. Fatmir Sejdiu
4. Avni Spahiu
5. Basri Musmurati
6. Dr. Engjell Berisha
7. Skender Kastrati
8. Abdyl Rama
9. Latif Berisha
10. Rame Buja
11. Dr. Zenel Kelmendi
12. Mehmet Harizi
13. Edita Tahiri
14. Adil Pireva

In conformity with the LDK statute, the second assembly reelected Dr. Ibrahim Rugova chairman of the largest party of Albanians in Kosova.

Rugova Announces 'Reshuffle' of Kosovo Government

LD1409100194 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 14 Sep 94

[Text] Ibrahim Rugova, leader of the Kosovo Albanians, has announced a reshuffle of the Kosovo government, the establishment of local government in Kosovo's municipalities, and the opening of Kosovo diplomatic missions, in which he said several countries were interested. Rugova announced this at a meeting of the main committee of the Democratic Alliance of Kosovo. Rugova then described the situation in Kosovo as very serious since over the past two months there had been an increase in the use of force by the Serbian police resulting in the death of six Albanians.

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